Daily Report

East Europe

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Bosnian Peace Talks Continue in Geneva

Izetbegovic Continues Boycott

AU0408105893 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 4 Aug 93

[Report by Dragan Colovic]

[Text] Here, in the Palace of Nations, everyone is patiently waiting for Alija Izetbegovic to appear and to unblock the negotiations, which have been postponed several times on his insistence. The latest news from Geneva is that Alija Izetbegovic has once again refused to join the negotiations and—as has just been announced by the conference cochairmen's spokesman John Mills—has justified his refusal with the Serbian forces' attacks on the mountain tops southwest of Sarajevo.

John Mills confirmed, on the basis of the UN Protection Force's [UNPROFOR] morning's reports, that Sarajevo is quiet, as are parts of central Bosnia, until recently the site of heavy fighting. At the moment, the conference cochairmen are holding talks with the presidents of Serbia, Croatia, and Montenegro—Slobodan Milosevic, Franjo Tudjman, and Momir Bulatovic. They will soon be joined by Radovan Karadzic and Mate Boban.

Last night, the three presidents and Alija Izetbegovic spoke for about three hours in the Le Saugy Villa, situated in the Geneva suburbs. It was almost certain that the Muslim leader would join the negotiations today. When he arrived at the Palace of Nations this morning, Slobodan Milosevic said the following:

I believe that we have reached an agreement last night pertaining to the resumption of the negotiations. However, it remains to be seen how accurate this is. As we have already heard, Alija Izetbegovic has once again avoided sitting down at the negotiating table. When he appeared at the Palace of Nations this morning, the Bosnian Croat representative, Mate Boban, answered affirmatively when asked by journalists whether Alija Izetbegovic would join the negotiations. Commenting on the journalists' statement that Alija Izetbegovic had said that he would never agree to a disarmament of the Muslim forces, Mate Boban said that Alija Izetbegovic wants war, and added that the Croat side does not want a war, and that there can be no Bosnia that has not been demilitarized.

Commenting on the Serbian President Slobodan Milosevic's and Croatian President Franjo Tudjman's role in the negotiations, Boban said that they are not applying pressure to any side, but that they are here to help with solutions to problems.

Izetbegovic on Accepting Plan

AU0408100093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 4 Aug 93

[Report by Nada al-Isa from Geneva]

[Text] The peace talks on Bosnia-Herzegovina are still expected to resume in Geneva. In the meantime, President Alija Izetbegovic of the Bosnia-Herzegovina Presidency gave an interview for Radio Television Bosnia-Herzegovina and the Swiss national television.

The questions mostly concerned the question of why the agreement, which seems unfavorable to Bosnia-Herzegovina, was accepted. President Izetbegovic said: Not accepting some kind of an agreement would mean the continuation of the war. We have been offered a choice between two evils—Bosnia-Herzegovina as we have not wanted it, that is, divided into three republics, or the continuation of the war. I hope, the president said, that, by accepting the agreement on the Union of the Republics of Bosnia-Herzegovina, we have chosen the lesser of two evils. Besides, President Izetbegovic stressed, if we had not accepted three republics now, there would have been a danger of Bosnia-Herzegovina being divided into only two parts. The Muslim people would stand to lose the most out of that. The agreement in Geneva provides the Muslims with a republic of their own within the union, and we have also arranged, the president said, that the Bosnian republic must have access to the sea and to the River Sava. That has been promised to us.

We asked him whose fault it was that such a compromise had to be accepted, and the president said: The Serbian aggression is to be blamed, but equally so the Western countries. The West is guilty because, with the arms embargo, it is supporting the aggressor and the aggression.

Reacting to a correspondent's remark that Bosnia-Herzegovina opposition, which is present in Geneva, is dissatisfied with the agreement reached, President Izetbegovic said: I am also dissatisfied, but we had no other choice. The choice was really agreement or war.

The president of the Bosnia-Herzegovina Presidency condemned the continuation of the aggression against Croatia, that is, the shelling of Maslenica, and said that the international community had to stop the wars both in Bosnia-Herzegovina and Croatia if it wanted to prevent the war from spreading dangerously on the region of the former Yugoslavia and wider.

Sarajevo Radio on Talks

AU0408142793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 4 Aug 93

[Report by Nada al-Isa from Geneva]

[Excerpts] We should know this afternoon whether the Geneva talks will continue with the participation of the Bosnia-Herzegovina delegation. The consultative session of the Presidency has just finished. It has been decided that the Presidency delegation should hold talks with Lord Owen and Thorvald Stoltenberg, and inform them about the Presidency's decision that it is impossible to talk while the aggression continues.

However, [words indistinct] the Bosnia-Herzegovina delegation is expected at the Palace of Nations after talks with Owen and Stoltenberg. Then, as has been announced, a Presidency session will be held. We will let you know about the decision in future bulletins.

Let me remind you that so far the most important condition for the resumption of the talks has not been met, since the aggressor has not halted his aggression against Bosnia-Herzegovina, has not withdrawn from Mt. Bjelasnica [words indistinct]. [passage omitted]

By the way, let me tell you about something outside the conference halls. What is happening and being said among the correspondents? I will of course mention the example of our delegation. Foreign correspondents are showing great interest in interviews with and statements by our president. The correspondents covering the Geneva talks explain it as follows:

The negotiators in Geneva are giving too many statements, statements for the sake of statements. We know in advance what some of them are going to say, while others give statements just in order to be photographed. President Izetbegovic, as my colleague from the REUTER agency said, gives statements only when he has something definite to say, and not to be photographed. That is why we are always interested in whether the president will have something to say, and we often inquire from one another, because it is always very concrete.

As for the photography part, foreign correspondents say that it concerns particularly Radovan Karadzic, leader of the terrorist Serbian Democratic Party. There is a lot of speculation in Geneva about whether he still has any control over the war criminal Ratko Mladic, or has the general slipped from under his control. Who knows with either of them?

This is Nada al-Isa reporting from Geneva for Radio Television Bosnia-Herzegovina.

Greek Intervention Requested

LD0308164193 Belgrade TANJUG in English 1531 GMT 3 Aug 93

[Text] Belgrade, August 3 (TANJUG)—Greek Prime Minister Konstandinos Mitsotakis on Tuesday [3 August] called President Slobodan Milosevic of the Yugoslav Republic of Serbia to push for a lifting of territorial obstacles at the Geneva talks on the former Yugoslav Republic of Bosnia-Herzegovina.

Government spokesman Vasilis Magginas said Mitsotakis had also called Milosevic on Monday, according to ASSOCIATED PRESS [A.P.]. Both calls came after a request by Lord Owen and Thorvald Stoltenberg, the co-chairmen of the conference on the former Yugoslavia.

Magginas did not specify the details of the telephone calls, but said that the co-chairmen "asked for the intervention of Greek Premier Konstandinos Mitsotakis in a way so that the obstacles for advancing the talks can be lifted."

There has been a lull in the Geneva talks which did not resume on Tuesday as scheduled because Bosnian Moslem leader Alija Izetbegovic again set conditions for the peace process and did not come to the meeting with Bosnian Serb and Croat leaders, Radovan Karadzic and Mate Boban, respectively.

Milosevic, President Momir Bulatovic of Montenegro and President Franjo Tudjman of Croatia have been invited to join the talks between Bosnia's three warring sides on Wednesday.

A.P. said that Greece retained traditional ties with Serbia and that Mitsotakis had in the past mediated with the Serbian and Bosnian Serb leaders on behalf of the E.C. and U.N..

Mitsotakis attended a session of the Bosnian Serb Parliament last spring and, together with Milosevic, Bulatovic and Cosic (president of the Federal Republic of Yugoslavia at the time), appealed to Bosnian Serbs to accept the peace plan engineered by Lord Owen and Cyrus Vance who was at the time the other co-chairman of the conference on the former Yugoslavia.

Presidency Orders Cease-Fire

AU0308183193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 3 Aug 93

[Report by Nada Al-Isa from Geneva]

[Text] The Presidency of the Republic of Bosnia-Herzegovina at its afternoon session in Geneva issued the following order. We convey the order in full:

We order an immediate and unconditional end to the hostilities between the Bosnia-Herzegovina Army and the Croatian Defense Council [HVO]. All military units have a duty to (?provide) full protection to the civilian population. A commander in charge of each unit [words indistinct] violate this order will be [word indistinct] and prosecuted. [Words indistinct] of the Supreme Command of the Bosnia-Herzegovina Army and the HVO Headquarters will submit daily reports on the implementation of this order to the Presidency. The order becomes effective immediately and [words indistinct]. Signed, the Presidency of the Republic of Bosnia-Herzegovina [words indistinct].

We said at the beginning of our dispatch that a decision had also been made to remain at the laborious negotiations in Geneva. Here is the explanation:

Encouraged by the initiative of NATO and U.S. President Clinton to bomb Serbian positions if the aggression against Bosnia-Herzegovina does not stop, the Presidency will remain at the Geneva negotiations. This is

stated in a letter that the Presidency sent to UN Secretary General Butrus-Ghali, [word indistinct] EC ministers, and EC Chairman Willy Claes after the afternoon session. However, although it remains at the talks, the Bosnia-Herzegovina delegation warns that the aggression has not stopped yet. If [words indistinct] negotiate further this aggression must be ended.

For example, we have received news that Brcko, Maglaj, Tesanj, Olovo, and the capital of Sarajevo are being senselessly attacked today. The aggressor even fired his infamous Luna missiles at (?Tesanj). For this reason we ask you to take this seriously and help halt the attacks so that the Geneva negotiations can be conduced in compliance with the principles of the London conference. This has not been fully observed in the Geneva negotiations so far.

As for our side, reads the letter of the Bosnia-Herzegovina Presidency to UN Secretary General Butrus-Ghali and the EC, we will do everything to end the fighting. This is also proved by the order to end the hostilities between the Bosnia-Herzegovina Army and the HVO.

Butrus-Ghali: U.S. Action Must Be Coordinated With UN

LD0308201793 Belgrade TANJUG in English 2005 GMT 3 Aug 93

[Text] Belgrade, August 3 (TANJUG)—U.N. Secretary-General Butrus Butrus-Ghali on Tuesday [3 August] warned the United States that a possible use of air power in the former Yugoslav Republic of Bosnia-Herzegovina would have to be in accordance with the goals of the United Nations Security Council and that a full coordination with the U.N. was necessary.

In his reply to a letter he received from U.S. Secretary of State Warren Christopher on Sunday, the AGENCE FRANCE PRESS reports Butrus-Ghali as saying that possible air strikes by Western allies in Bosnia-Herzegovina could jeopardize the U.N. peace-keeping force, humanitarian aid and peace talks in Geneva.

The United States urge for air strikes on positions of Bosnian Serbs but has so far had no support from its NATO allies.

TANJUG on Reactions to NATO Decision on Bosnia

LD0308203793 Belgrade TANJUG in English 2012 GMT 3 Aug 93

[Text] Belgrade, August 3 (TANJUG)—U.S. President Bill Clinton welcomed Tuesday [3 August] NATO council decision on preparations for air strikes in the former Yugoslav Republic of Bosnia-Herzegovina pointing out it carried the message that the NATO allies, as he set out, were prepared to protect UNPROFOR [UN Protection Forces] and secure humanitarian aid deliveries.

In European capitals, however, it is set out that NATO will not do anything without obtaining approval from the United Nations.

Official Washington assessed the NATO council meeting results Monday in Brussels as a triumph of the latest platform of President Clinton on Bosnia-Herzegovina, believing that the allies met the U.S. request for the air strikes of NATO Forces be used for broader aims than strict protection of the U.N. forces in Bosnia-Herzegovina.

Observers in Washington described in the first analyses of the NATO meeting that this official U.S. optimism as a clear exaggeration, TANJUG reported from Washington.

These assessments said NATO at the meeting Monday closed the door on unilateral U.S. actions against the Bosnian Serbs.

NATO's stand that air strikes would be launched depending on the conduct of Bosnian Serbs and other warring sides clearly showing that any action must be within the U.N. framework was, according to these assessments, more of a defeat than a success of the latest U.S. aggressive platform.

The official circles in Paris set out Tuesday that the European allies signalled to Washington that there can be no military action in Bosnia-Herzegovina without previously getting the go-ahead from the U.N., TANJUG Paris correspondent reported.

France's firm stand remains that the U.S. cannot behave as a super power in the Bosnian crisis and that the U.N. decisions must strictly be observed.

Political observers in Brussels noted that the U.S. in an unambiguous manner said prior to the NATO meeting that unless the allies followed it, the U.S. would act alone, and warned that such behavior could harm relations within NATO.

Commenting the latest NATO council meeting, the Russian Defense Ministry paper "KRASNAYA ZVEZDA" warned Tuesday that "any military action of the West (in Bosnia-Herzegovina) at this time would be a hasty step with disastrous consequences."

Recalling that "Washington was ready to take such a decision at the precise time when negotiations were underway between the warring sides in Geneva", the paper set out that "no pressure on the Serb side—the likely target of U.S. bombers—could be more efficient than any previous attempt to influence the course of the civil war in Bosnia."

"Does this mean that the U.S. was no longer interested in a speedy solution to the conflict," the paper asks.

ATA Criticizes BBC Albanian Service Coverage

AU0408093393 Tirana ATA in English 0843 GMT 4 Aug 93

[Text] [passage indistinct] of the BBC Albanian broadcasts was welcomed by the Albanian public. This time BBC started its Albanian broacasts with the approval of the Tirana democratic leaders who put at BBC's disposal the 500 kW middle [medium] wave trasmitter owned by the Albanian state radio. BBC expressed its appreciation for the attitude of the Albanian Government in its February 26 broadcast.

What was the BBC attitude after the communists were deprived of power on March 22? The response came very soon but no one wished to believe it. On March 2, the first chronicle from Tirana started with the following: "The Albanian Socialist Party calls on the government to resign because it is not capable of running the country." Further, the BBC broadcast referred in length to Mr. Dokle and only then to Premier Meksi as an afterthought.

BBC became more tendentious because of Nano's growing awkward position. It reached the culminating point in July, when the BBC correspondents in Tirana seemed to lose their professional ethics and political objectivity completely.

Mr. Qirjako Qirko, jurist at the Consular and Juridical Department at the Foreign Ministry, had to refute the July 7 broadcast on "The Issue of the Albanian Gold."

On July 12, correspondent Ilir Kadia requested information from the president's spokesman. Strangely enough BBC did not broadcast this information. The next day, however, it was to be found in the pages of the newspaper "KOMBI."

Some days later, on July 16, ATA again had to refute a BBC story. In broadcasts of July 28 and August 2, qualified journalists Steven Ashley and Gabriel Padrof [names as received], based their comments on the statements of the Socialist Party and Fatos Nano. Mr. Ashley and Padrof forget that it is no longer Enver Hoxha's time when reference was made only to the dictator and his party. At present the Albanian people are represented in the parliament by five parties and 5 independent deputies. The deputies of four parties and the independents voted on the revocation of Nano's immunity. It is strange how these qualified specialists accuse the Albanian parliament of a witch hunt. For Nano's sake, they have neglected the premordial professional rule of presenting evidence from both sides.

How should we explain the words of these specialists that Nano is not responsible for the crimes under the communist regime, when in some aforesaid lines they did say that Nano was premier of the last communist government of Albania, and that he was chosen by Ramiz Alia to lead the government during the transition period?

Mr. Ashley and Padrof: the charge that Nano and his friends embezzled 9 million dollars is not an invented diversion as you put it, but is substantiated by the evidence. This concerns not only the Albanian justice system but the Italian also. Nine persons, two of the ministers, have been arrested in Italy under the charge of misusing Italian aid for Albania. Why don't you accuse the Italian, French or German justice systems of witch hunts in analogous cases? Messieurs of the BBC Albanian Service, if you listen to or read articles of your colleagues of Radio Vatican, Deutsche Welle, Voice of America, Reuter, AFP, DPA, ANSA and many newspaper and TV stations of Europe, you will realise that you are alone in your support for Fatos Nano and the remnants of communism in Albania.

We still do not understand why you entitled yourselves the right of prejudging the Albanian judicial state, which is actually enjoying the support of all international organizations and was blessed by the pope during his visit last spring. Perhaps Tim Cooke, head of BBC Albanian Service thinkS he enjoys the same right as he enjoyed in selecting the Albanian team of this service in London and Tirana, who are sons and daughters of the former communist nomenclature which persecuted the Albanian people for 50 years.

Mr. Tim Cooke, the reporter Eduard Jegeni went to the competition in London. He knows and speaks the English language well and he has been in England for two years now, but he didn't win. Some of those who won the competition had nothing to do with journalism. After 5 months, the reason becomes clear, Eduard and his family had no relations with communism.

Finally we are informing you of something you already probably know.

Fatos Nano is accused of embezzlement of 9 million dollars because:

1. He entitled the Italian-Serbian-Montenegrin "Levante Co" Firm to deliver the aid, contrary to Italian laws and at a time when specialized enterprises existed in the structure of the Albanian state which could bring this aid in Albania.

2. The former Premier Nano has changed the list of basic articles from 5 to 15, which, for the hungry Albanians of that time, it was a luxury. Instead of sacks with rice and flour, Nano ordered canned juice.

3. The former government accepted to buy articles at prices 2-3 times higher than the world prices.

4. Even when Nano was informed by his assistants, such as Mr. Pogace, that speculations were being made, he did not take any measures.

5. Nano entitled an exclusive right to make investment in Albania to a single man, Hajdin Sejdia, an ordinary person who is now imprisoned in Switzerland. Sejdia was also exempt from any tax. Would you please, give us an analogous example from the world?

Messieurs Cooke, Ashley and Padrof of the BBC Albanian Service, through your stand you are ignoring the 50 years of suffering and hunger of a people. You should mention first your former listeners, the political persecuted people in Albania, those people who in the 50s and 60s were imprisoned simply because they listened to the BBC broadcasting.

Ministry Creates Department of Small Enterprises

AU0308132493 Tirana ATA in English 1020 GMT 3 Aug 93

[Text] Tirana, August 3 (ATA)—Recently by decision of the government, a department of small and medium enterprises was established at the Ministry of Foreign Trade and Cooperation.

At present the Albanian economy is characterized by massive unemployment, insufficient industry, lack of capital investment, but also by the rapid increase of small businesses at the initiative of Albanian businessmen.

The government intends to draft a program to establish and support these small and medium enterprises, Artan Hoxha, foreign trade minister told the ATA reporter. This is essential to the development and success of the free market system and will encourage the growth of our economy. The goals of this department are to establish active cooperation with all the government institutions, the Albanian banking system and a wide variety of trade institutions, and different associations in the private sector, to promote small business and achieve associated goals as well.

In the context of the PHARE program, Albania was accorded 1.1 million ECU [European Currency Unit] with about 150 Albanian businessmen involved in the credit system. With this credit 7 regional business agencies have been established which will carry out their activity across Albania. During the 1993-1994 period, the Albanian Government allocated 4.5 million ECU for the development of small and medium enterprises. The German government provided these enterprises with 16 million [German] marks and the Italian Government accorded 5 million lires of this type enterprise [sentence as received].

It is hoped that this financial support will lead to the growth of these enterprises which will be one of the most important pillars of the Albanian economy.

Establishes Business Department

AU0308172293 Tirana ATA in English 1015 GMT 3 Aug 93

[Text] Tirana, August 3 (ATA)—In the context of reorganization going on in the Ministry of Foreign Trade and Economic Cooperation, the department of relations with trade institutions and organizations has been recently created as a section of the department of development of business of this ministry.

"Such an organization," the Minister of Foreign Trade and Economic Cooperation Artan Hoxha told ATA, "responds to the actual stage of development towards the market economy, where production, services, and marketing are an inseparable unit on the basis of the basic law of capitalism, the proportion between the offer and demand. This organization is also connected with the daily advance of the process of privatization not only in the sector of trade and services but also in that of production. In these new circumstances," Minister Hoxha said, "the role of the ministry in general and that of the above department in particular is to encourage production, trade and services through favouring politics, within the framework of the strategy of economic development the government has worked out. So direct management of the productive and trade enterprises is eliminated, leaving free hand to private operators of this sector."

Cabinet Will Resign if Parliament Fails To Meet

AU0308173593 Sofia BTA in English 1635 GMT 3 Aug 93

[Text] Sofia, August 3 (BTA)—"We are not backed by a definite party but by a parliamentary majority which believes that the cabinet works for the nation, and if we do not have the support of this majority, we will resign," Prime Minister Lyuben Berov told reporters today, asked to elaborate on a passage from his letter to National Assembly Chairman Aleksandur Yordanov which said that the government will draw the appropriate conclusions in case parliament fails to convene at the extraordinary sitting. The cabinet requested the convocation by that letter, invoking the urgent need of a final passage of amendments to tax legislation.

It emerged today that National Assembly Chairman Aleksandur Yordanov called parliament to a sitting on August 9.

"None of us is in love with his post, and we even joked with Messrs. Neev and Karabashev (his two deputies) that, say, if we become presidents of private banks, we could make 30,000 leva a month (more than 1,000 U.S. dollars along the current rate of exchange) and not worry about anything," Prof. Berov went on to say.

Yordanov Calls Assembly Session

AU0308173693 Sofia BTA in English 1647 GMT 3 Aug 93

[Text] Sofia, August 3 (BTA)—National Assembly Chairman Aleksandur Yordanov today announced that he is calling parliament to an extraordinary sitting on August 9, 1993. On August 1 the National Assembly took a one-month recess. The head of parliament said that the second reading of the bill to amend the turnover tax and excise duty tax and the second reading of amendments to decree No. 56 on business activity will be on the agenda of the extraordinary sitting.

Mr. Yordanov convened parliament at the request of the Council of Ministers. Prime Minister Lyuben Berov yesterday told reporters that the adjournment of the amendments to the turnover tax and excise duty tax for after the recess deprives the exchequer of substantial revenue and jeopardizes the budget balance by the end of November 1993.

The bill amending the turnover tax and excise duty tax was introduced by the government and envisages action to secure the collection of indirect taxes on the import of goods, as well as an increase of turnover tax on obscene publications from 22 to 60 percent.

National Assembly Chairman Aleksandur Yordanov refused to make special transport arrangements for the MPs' attendance of the extraordinary parliamentary sitting on August 9. "The country is in a crisis and we cannot afford extra budget expenditures," he believes. Each MP is entitled to free transportation in definite circumstances and has six days to report for a sitting, regardless of whether he or she is in Bulgaria or abroad.

Mr. Yordanov will postpone a trip abroad to a later date, BTA learnt from parliament's press service.

In a letter to the Council of Ministers, the chairman of the National Assembly invited the prime minister, the minister of finance and other cabinet members to attend the sitting.

Berov Reports Preparations for Mass Privatization

AU0308150993 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 3 Aug 93

[Text] We have just received the text of an order issued by the chairman of the National Assembly. The order convenes the National Assembly in plenary session at 1500 [1200 GMT] on 9 August with the following agenda:

First, second reading of the draft law on amendments and additions to the turnover tax and excise act.

Second, second reading of the draft law on amendments and additions to Decree No. 56 on economic activity.

As we informed you in our midday news bulletin, at 1500 [1200 GMT] Prime Minister Prof. Lyuben Berov gave a short news conference. Kalina Stancheva is waiting to give us a report:

[Stancheva] Good afternoon. Prime Minister Berov gave an explanation of the outline plan and schedule for the first stage of the mass privatization that was approved yesterday. He announced that the proposal for amendments to the Privatization Act will be finalized at the next meeting of the Council of Ministers and that it will be appended to the package of documents on which he considers parliament will realistically be able to pronounce by the middle of September. He pointed out that the organization of the process has in fact already begun.

Today the five representatives of the cabinet who are responsible for advancing the work on mass privatization—Berov, Matinchev, Karabashev, Stoyan Aleksandrov, and Bikov—held a meeting and decided to set up a working group of experts from the Ministries of Industry and Trade. This group is to begin preparing a list of enterprises to be privatized, their first task being to define the criteria for including enterprises in the list. All Bulgarian citizens who have reached the legal age on the date of the opening of the subscription list will be entitled to take part. These enterprises will obligatorily include firms that have already been transformed into joint stock companies. After assessment by experts, the list will be divided into two sections—the first consisting of enterprises considered suitable for privatization as independent units, and the second, of enterprises that can be privatized only as part of a group controlled by a holding company.

Within 15-20 days, the cabinet also intends to prepare and submit to the National Assembly as a priority piece of legislation a similar list for the stock exchanges, so as to facilitate the establishment of a securities market in the near future.

Karabashev Reports on Privatization

AU0308131493 Sofia BTA in English 1136 GMT 3 Aug 93

[Text] Sofia, August 3 (BTA)—Privatization has started in Bulgaria but it is making rather slow progress, Deputy Prime Minister and Minister of Trade Valentin Karabashev said at a press conference here today on the progress of privatization carried out by the Ministry of Trade.

Fifty-one privatization procedures have been started since the beginning of 1993—22 for entire enterprises and 29 for independent parts of enterprises. Under the annual privatization programme of the government, the Ministry of Trade should launch privatization procedures for 25 enterprises and conclude privatization deals for 17 enterprises. By the seventh month of the year we have almost completed the programme, and by the end of the year we may have started the privatization of twice as many enterprises as provided for in the programme, Trade Minister Karabashev said.

The Ministry of Trade has experimented with all privatization methods envisaged by the Privatization Act. Of the 25 privatization tenders held since the beginning of this year, nine had to be repeated and nine were successful. On the whole, three in five tenders proved successful. Negotiations are under way with potential buyers. In the next two months the privatization programme of the ministry provides for holding seven tenders, 14 contests and negotiations with would-be buyers of four commercial partnerships.

There was no direct foreign participation in the tenders and contests organized by the Ministry of Trade. Foreign investors will probably take greater interest in the larger units in foreign trade, Minister Karabashev said, stressing that under the now operative Privatization Act Bulgarian and foreign buyers are treated on an equal footing.

Mr. Karabashev cited the funding of privatization deals as a major problem to buyers. In almost all cases, buyers borrow money to effect deals. According to the minister of trade, the government will accept the Privatization Agency proposal to set up a restorable fund to lend money to persons wishing to take part in privatization. Another problem is prospective buyers' (mostly employees') poor knowledge of legislation, Mr. Karabashev said.

According to the Privatization Act, the ministries privatize units with fixed assets of up to 10 million leva. Recently the government asked parliament to raise this limit to 70 million leva. According to late March data, 82 to 83 percent of state-run and municipal enterprises have fixed assets of up to 70 million leva, Mr. Karabashev said. According to him, the only way to speed up privatization is for responsible bodies (the Privatization Agency, separate ministries) to function more actively.

Yesterday's cabinet decision on mass privatization is a combination between the Czech and Polish privatization models, he said. An advocate of market-oriented privatization, he thinks mass privatization should parallel the former, and not have the major role.

Neev, Macedonia's Andonov Discuss Trade

AU0308192093 Sofia BTA in English 1811 GMT 3 Aug 93

[Text] Sofia, August 3 (BTA)—Deputy Prime Minister Neycho Neev today conferred with the Deputy Prime Minister of the Republic of Macedonia Jovan Andonov, BTA learnt from the Government Press Office. Government ministers, bankers, corporate executives and businessmen of the two countries attended the meeting.

The idea of the meeting was to draft a protocol between Balkanbank and the Skopje-based Economic Bank on the servicing of a six-month, 20 million U.S. dollar commodity credit, granted at a 10 percent annual interest. Each commercial operation arising from the bilateral banking agreement will have to be cleared with the Finance Ministry.

The sides are also drafting an agreement on the granting of an extra 20 million dollar credit by the two banks, in compliance with an agreement between the two Republics which provides for the facilitation of the formation of joint ventures and distribution of markets. The idea is to increase bilateral trade to 50-100 million dollars in the coming years, the press office said. Development preferences will be available to small-sized companies and enterprises, and large-sized enterprises will be encouraged to cooperate in oil processing, farming and ore mining.

Mr. Andonov emphasized that Bulgaria and Macedonia should set an example to the rest of the Balkans, showing that economic cooperation can help solve political problems.

Official Says Bread Supplies To Be 'Adequate'

AU0308181393 Sofia BTA in English 1450 GMT 3 Aug 93

[Text] Sofia, August 3 (BTA)—The harvest results show that there will be adequate bread supplies meeting the demand in the country, Mr. Kamen Beligerski, head of the Stock-Breeding Department at the Ministry of Agriculture, told a press conference today, dispelling the fears about bread shortages in winter expressed of late in the press.

Despite the difficulties arising from the rise in the prices of fertilizers and preparations, the delayed autumn sowing, the late and insufficient snow, the summer drought and the insufficient and untimely supply of

herbicides, the Ministry of Agriculture specialists expect a good harvest and believe it is possible to ensure about 3.5 million tons of wheat and about one million tons of barley this year. Those amounts, which coincide with the projections made by the experts of the National Statistical Institute some months ago, exceed a bit the ones secured last year.

However, the country's adequate grain supplies depend not only on grain growing, harvesting and storage, but on the trade in grain as well, the specialists pointed out. Their categorical opinion is that no wild trade, purchase of bread grain for animal feed and uncontrolled grain exports should be allowed. That is why they propose to specify the surplus quantities of grain and determine export quotas on this basis.

About 3 tonnes per hectare is the average yield in this country. In the traditional grain-producing areas (the regions of Plovdiv, Ruse and Varna) the average yield is higher—about 3.5-4.0 tonnes [t] per hectare. However, statistics show that until few years ago the average wheat yield was 4.55 t per hectare.

The situation of maize production is alarming—it is expected to go down by 340,000 tonnes from its 1992 level, Mr. Beligerski said. That is why the specialist fear there may be animal feed imbalances.

A downward tendency in maize production has been observed since 1985: from an average of 3.07 to 2.87 t per hectare and to 1.20 t per hectare in some regions this summer, which is its level of the 1940's.

Sunflower and sugar beet crops are expected to be unsatisfactory, agricultural specialists predict cooking oil and sugar shortages in the autumn and the winter season.

Decline in Animal Herds Reportedly 'Under Control'

AU0308181493 Sofia BTA in English 1516 GMT 3 Aug 93

[Text] Sofia, August 3 (BTA)—The number of cows in the country has dwindled by 6,845 head since the beginning of the year, and of sows and sheep—by 28,000 and 331,000 respectively, Mr. Kamen Beligerski, head of the Stock-Breeding Department at the Ministry of Agriculture, said at a briefing today.

Compared with 1992, the greatest is the decrease of sheep—by more than one million, and of cows—by 78,000. But despite these figures, the Ministry of Agriculture experts believe that the drastic reduction of farm animals has already been brought under control: A certain increase of animals has been observed since March, which gives them good reason to say so.

The major problems of stock-breeding arise in connection with the sector's huge debts, the most badly hit in this respect are swine-breeding, poultry and fish-breeding. There is a substantial drop in the output of animal products. The amount of milk produced in the first half of the year was 868,872,000 litres, or 121,417,000 litres less than the like period of 1992. The reason for it is the huge reduction of cows and ewes compared with last year, the specialists said.

It is encouraging that there is an upward tendency as far as the number of animals and milk yield at private farms are concerned, this gives ground to expect better results by the end of the year. The output of eggs is 20,000 more than the like period of 1992. At the same time, an expert estimate shows that there will be serious imbalances in the production of meat this year.

Klaus: Wallis Affair 'Artificially Inflated'

LD0308190593 Prague CTK in English 1849 GMT 3 Aug 93

[Text] Prague, August 3 (CTK)—Premier Vaclav Klaus told journalists today he did not feel threatened by documents which have surfaced in the so-called Wallis affair and which allegedly contain compromising information about him.

Vaclav Wallis, a former counterintelligence agent of the communist-era Secret Police, or STB, and of its post-1989 successor, the Federal Security Information Service (FBIS), was indicted in a military court last Wednesday [4 August] for allegedly selling secret state information on the privatisation process, along with compromising personal information about top Czech and Czechoslovak politicians, including current Czech President Vaclav Havel and Premier Vaclav Klaus.

I do not know what it is about, and I do not know what part of my private life could have been filmed by the Communist Secret Police, Klaus stated after returning from his holiday today.

Klaus called the whole affair an artificially inflated bubble. Everybody left on holiday, and as a result, there was nothing to write about so that perhaps someone dredged up something that had been prepared a long time ago, Klaus added.

I have not been tempted to indulge in Secret Service games, he answered to a question on whether he saw in the whole affair any personalities who might influence each other this way.

Klaus also said that he had not yet received all information about the affair and that he had to find out what has happened.

He did not rule out that he, as coordinator of Czech Secret Service, would take some steps.

Regardless of Wallisgate, the government was trying to do something with the Secret Services, noted Klaus.

We are trying to organise them. It is, of course, not the first issue which should be explained to the media in full detail, stated Klaus.

Security Committee To Hold Meeting

AU0308123893 Prague CTK in English 2154 GMT 30 Jul 93

[Text] [dateline as received]—The indictment against Vaclav Wallis prepared by the Czech military prosecutor at this time contains insufficient evidence to suggest that Harvard Capital and Consulting President Viktor Kozeny committed any crime or should be prosecuted, an official of the Czech Prosecutor General's Office told CTK today.

Libor Grygarek, director of the Supervisory Department for Criminal Cases, declined to answer a question, however, on whether the fact that Kozeny knew from the beginning of his dealings with Wallis that Wallis was an FBIS [FIS—Federal Security Information Service] agent could be grounds for a case against Kozeny.

A friend of Wallis and witness in the case known only as M.M. has testified that Kozeny knew Wallis worked for the FBIS. M.M. said Wallis had asked him to arrange a meeting with Kozeny because Wallis was seeking employment with HCC.

Grygarek said no determination on Kozeny's possible prosecution would be made at least until Wallis's trial was underway because of contradictory statements made by the two. Kozeny is the chief witness in the case.

* * *

The Defence and Security Committee of the Chamber of Deputies (parliament) will hold an extraordinary session to discuss the Wallis-Kozeny affair during the week of August 23-27, probably on the 25th, Committee Chairman Vladimir Suman told CTK today.

Suman said the Committee intended to call the director of the Czech Republic's Security Information Service (BIS), Stanislav Devaty, to explain what measures he was taking to prevent BIS employees from divulging state and BIS secrets and from collecting information about private persons on their own.

Devaty was named deputy director of the FBIS August 21, 1992, and provisional director of the BIS four months later, on December 19.

Suman also said he had no information on whether foreign secret services had taken part in gathering compromising material on leading Czech political figures.

Decision Delayed

AU0308123793 Prague CTK in English 2043 GMT 30 Jul 93

[Text] Prague July 30 (CTK)—A decision on whether to begin the trial of Vaclav Wallis or return the indictment against him to prosecutors for elaboration will not be made for at least two weeks, Rudolf Manousek, a high official of the District Military Court in Prague, confirmed today.

He said that vacations were the reason for the delay.

* * *

Czech President Vaclav Havel and Premier Vaclav Klaus will not interrupt or shorten their vacations on account of the Wallis-Kozeny affair, spokespersons for the two politicians said.

State secrets allegedly sold by Wallis, a former counterintelligence agent for the Federal Security Information Service (FBIS) [FIS], to Viktor Kozeny, head of the Harvard Capital and Consulting (HCC) Privatisation

Investment Fund, is said to contain compromising information on Havel's and Klaus's private lives.

The daily LIDOVE NOVINY wrote today that the information claimed it would make things hot for Klaus if the public knew what was in the diary of a 28-year-old Ostrava journalist murdered November 24, 1991. The murder has been tied to the journalist's alleged homosexual relations.

Both Havel and Klaus are being kept informed of developments in the Wallis-Kozeny affair through Czech newspaper reports faxed to them by their offices.

Klaus, who is vacationing in Italy, is scheduled to be back at his desk August 4. Havel is currently on an island in the Mediterranean and intends to return August 8, after which he will vacation for another week at his country cottage.

* * *

Julius Bobovnicky, former chairman of the special oversight body of the Czechoslovak Federal Assembly (parliament) for the FBIS, today denied that the oversight body knew of the existence of any Personalities in Political and Economic Life file.

The Czech Television (CTV) programme Udalosti yesterday charged, without naming its sources, that the FBIS had a file of that name, created January 22, 1992, containing compromising personal information on leading Czech and Czechoslovak politicians, including Havel and Klaus.

Bobovnicky told CTK that the oversight body also knew nothing of any activities of Kozeny directed toward gathering such information. That was never of concern to us, he said.

The authority of the oversight body was specifically limited by law, he said. We had no possibility for overseeing in depth or in detail all activities of the FBIS. We could only oversee cases where someone claimed their rights had been abridged or restricted, he said.

According to Law 244/1991 on the Federal Security Information Service and on the use of intelligence-gathering equipment, the director of the FBIS was required to present to the oversight body upon request reports on FBIS activities and intelligence gathering, but only in cases where the FBIS had already concluded its activity.

* * *

A spokesman for the Civic Democratic Party (ODS) today denied a report in the daily MLADA FRONTA DNES today that the party had ever considered secretly gathering information on other political parties.

The daily reported that information on an ODS intelligence unit had been found in Wallis's apartment. It said the discovery of this information had been confirmed by an official of the Military Prosecutor's Office, which prepared the indictment against Wallis. According to later information, however, the intelligence-gathering operation was never effectuated, the daily reported.

The ODS spokesman, Jana Petrova, insisted that not only had the ODS never had such an operation, but that it had never collected information on other political parties or individuals and was not collecting any now.

Anyone who says such activities took place is deliberately lying, Petrova said in a written statement. She added that the allegation was a clear provocation and an attempt by former StB (communist-era secret police—Ed.) agents to discredit ODS leaders.

Security Chief Calls Meeting

AU0308151793 Prague TELEGRAF in Czech 31 Jul 93 pp 1, 3

[Interview with Vladimir Suman, chairman of the Defense and Security Committee, by Viktor Krejci; place and date not given: "Stanislav Devaty Did Not Work at the Federal Security and Information Service at That Time"]

[Text] Vladimir Suman, chairman of the Defense and Security Committee, told us he had decided to convene an extraordinary meeting of the committee for a date between 23 and 27 July. Reports about the former Federal Security and Information Service [FIS] having allegedly gathered information on important political figures were the reason for the meeting. In this connection, we asked Suman several questions.

[Krejci] Sir, why have you convened the meeting of the committee? Do you believe the reasons are so serious? Why have you chosen the end of July?

[Suman] I came to the conclusion that this was an important matter, but not so urgent that it would be possible for the meeting of the committee and its outcome to positively influence the development and to prevent something negative. We can ask why convene the meeting at all in this situation. In my view it was necessary to discuss the whole matter without being under time pressure, which would be the case with a regular meeting. The matter should be thoroughly discussed.

[Krejci] Will the director of the Security and Information Service [BIS], Stanislav Devaty, be invited to the meeting?

[Suman] Yes, I will invite Mr. Devaty. The BIS director said something to the effect that he cannot guarantee that some individuals are not gathering information of this kind even now. I believe it is our duty to ask him about it. We should also be assured whether the BIS has drawn the consequences and taken steps to prevent similar situations arising in the future.

[Krejci] Will you also ask him about the fact that there was reportedly a file at the BIS on political figures but Mr. Devaty says this was only a private initiative of Mr. Wallis?

[Suman] At the time the file was allegedly established, Mr. Devaty was not employed by the FIS, but was a Federal Assembly deputy. This means he cannot bear responsibility for this having been started. From information we have available we do not know when the entire action ended, and I do not rule out that it could have ended before Mr. Devaty assumed office in the BIS. From this point of view, he did not have to be aware of the fact that such action was taking place, since, logically, he could not be aware of all actions that ended before he assumed office.

[Krejci] There have been reports that on 22 January 1992 a file was established at the FIS on political and economic figures. Do you know anything about this?

[Suman] I know as much as you do. In this phase I did not consider it necessary to require pertinent information, but I believe the matter should be investigated by the BIS control body, which is controlled by parliament.

[Krejci] Do you not consider it strange that reports regarding gathering information on political and economic figures by the FIS have appeared just now, during the vacations, when most of the politicians are on vacation? I would like to know, in this connection, why Parliament Deputy Vlcek said at a news conference with the Liberal and Social Union not long ago that reports regarding the BIS are a prelude to something more important.

[Suman] It is difficult to comment on something I have not heard personally. The question why these matters have surfaced now—and, what is more important, what the motives are—is one of the things I am focusing on. However, it would be mere speculation to draw conclusions from the information I have available.

Pithart on Scandal

AU0308131893 Prague CTK in English 0701 GMT 30 Jul 93

[Text] Prague July 30 (CTK)—Harvard Capital Corporation (HCC) was investigated by the Czechoslovak Federal Security Information Service (FBIS) [FIS] in 1991, former Czech Parliament Premier Petr Pithart said today.

HCC is a major investment firm in the Czech Republic holding a large amount of privatization vouchers.

Pithart made the statement on Czech Television [CTV], after he was asked for information on the case of former FBIS Agent Vaclav Wallis, who is accused of selling information—collected for the FBIS on HCC activities, as well as personal details of politicians working with the FBIS—to HCC President Viktor Kozeny.

The FBIS was set up on July 1, 1991 as an agency similar to its predecessor, the Federal Information Service, but independent of the Czechoslovak Interior Ministry.

The former premier further indicated, in the telephone interview with CTV, that, at the request of the FBIS, the federal parliament gave it the HCC assignment after awkward debate. Referring to Pithart's words, CTV added that the parliament did not receive any information from the FBIS as a result of the assignment, nor did it expect to.

Allegation Denied

AU0308131293 Prague CTK in English 2055 GMT 2 Aug 93

[Text] Prague August 2 (CTK)—Ladislav Venys, director of the Centre for Democracy and Free Enterprise (SDSP), said today that allegations that the Civic Democratic Party (ODS) had considered establishing its own intelligence-gathering operation were a malicious and complicated attack on privatisation and ODS's involvement in it.

A July 30 article in the daily MLADA FRONTA DNES alleged that Venys was to have been the chief of the ODS Intelligence Unit, according to information the daily said was found in the home of Vaclav Wallis, a former counterintelligence agent indicted last week for selling state secrets.

Venys denied the allegations and called them absurd and dilettantish. He admitted, though, that a connection may exist with coupon privatisation, pointing out that Dusan Triska and Viktor Kozeny, both key players in the privatisation process, had been accused of various illicit activities. He also said that Czech Premier and ODS Chairman Vaclav Klaus had been untouchable so far. Venys considers privatisation to have proceeded very successfully in the Czech Republic.

Asked who might be interested in implicating him and the Centre in the matter, Venys replied that someone who considers me a thorn in the side for my activities, which they would like to be doing themselves. Americans in many cases are unhappy, as we are taking over some of their functions. It may be a combination of foreign and Czech interests. He added that the bearer of the information was an amateur, as he used out-of-date material.

Venys has headed the SDSP since 1991, when it was still the Prague office for the Washington-based Central European Institute. It became an independent, non-partisan Czech organisation dedicated to economic consulting and the education of privatisation experts both here and from areas such as the former Soviet Union. It is now preparing a programme for politicians and judicial officials and is doing studies for the World Bank.

Venys insisted that no payments had ever been received by the SDSP from political organisations, including the ODS. The SDSP receives support from the Ford Foundation and the U.S. International Development Center.

Macek: ODS Offered Intelligence

AU0308131193 Prague CTK in English 1915 GMT 1 Aug 93

[Text] Prague August 1 (CTK)—Former Vice-Chairman of the Civic Democratic Party (ODS) Miroslav Macek said on Czech Television (CTV) tonight that two federal secret service agents had contacted him with an offer to collect information about other political parties for the ODS.

Macek, who was also a deputy premier of the Czechoslovak Federal Government at the time, said the two agents of the Federal Security Information Service (FBIS) [FIS] had contacted him even before the June 1992 parliamentary elections.

Macek said he turned down the offer at the time it was made. The mini-network would also, according to the agents, have protected the ODS against information leaks, he added.

Macek's statement came in connection with a report published by the daily MLADA FRONTA DNES Friday [30 July] that the ODS had allegedly considered secretly gathering information on other political parties and movements. An ODS spokesperson denied the allegations later that day.

Information on the alleged ODS secret intelligence project was found by police in the apartment of Vaclav Wallis, a former FBIS agent, who was indicted Wednesday [28 July] for selling state information to the president of the Harvard Capital and Consulting Investment firm, Viktor Kozeny. Before 1989, Wallis worked as a counterintelligence agent for the communist secret police, the StB.

The information, sold by Wallis between March and December 1992, while Wallis was still an FBIS employee, contained secret information on the privatisation process as well as compromising material about the private lives of top government officials, including Czech President Vaclav Havel and Premier Vaclav Klaus.

Macek suggested on CTV that the alleged ODS operation in the MLADA FRONTA DNES report was in fact the offer by the two FBIS agents.

CTV also reported that some of the material sold by Wallis to Kozeny included information on the joint stock company Svobodna Zona [Free Zone] Ralsko, which has been competing, so far unsuccessfully, for the use of the former military base at Ralsko. The chairman of the board of Svobodna Zona Ralsko is Petr Podlesak, a former StB colleague of Wallis who had access to the same type of information as Wallis, CTV reported. Podlesak was killed several days ago in an automobile accident.

Foreign Ministry Denies Arms to Bosnia Deal

LD0308161693 Prague CTK in English 1547 GMT 3 Aug 93

[Text] Prague, August 3 (CTK)—The Czech Ministry of Foreign Affairs today denied reports that a shipment of Czech arms had allegedly reached Bosnia via Barcelona, Spain, as part of a deal involving a Panamanian company.

Panamanian President Guillermo Endara appointed a commission Monday to investigate the circumstances of the arms deal, which, according to the French press agency (AFP) is very large.

In its statement the Czech Foreign Ministry denied reports claiming that the Panamanian Government in March of this year placed an order with the Czech Government for military materiel which subsequently was exported through a Panamanian company via Barcelona to Bosnia.

The ministry spokesman stated that in May the licencing department of the Czech Ministry of Industry and Trade requested permission to export weapons and ammunition to Panama. After the clarification of certain points it was decided, in accordance with all the current regulations, not to grant a licence, the spokesman said, adding that the exporter was informed of this fact before the contract came into effect.

The arms deal was reported last week in "LA ESTRELLA DE PANAMA", a daily of the Panamanian opposition. The affair has so far led to the dismissal of Victoria Uribe from the post of Panamanian vice-consul to Barcelona. The consul, Eliecer Quintero, has resigned temporarily.

Foreign Ministry Welcomes NATO Line on Bosnia

LD0308204493 Prague Radiozurnal Radio Network in Czech 2000 GMT 3 Aug 93

[Text] The Czech Foreign Ministry welcomes the NATO countries' readiness to use air forces in Bosnia-Herzegovina to discharge the mandate given by UN Security Council resolutions. This was conveyed by Lucie Pilipova, the Foreign Ministry's press spokeswoman, in reaction to the decision by NATO member countries last night. The alliance states agreed in Brussels that they will use air power against Bosnian Serbs if they continue their offensive operations against Sarajevo and other areas in Bosnia-Herzegovina.

Commander: Gulf War Unit Measured Mustard Gas

AU0208175593 Prague MLADA FRONTA DNES in Czech 30 Jul 93 p 1

["(km)"-signed report: "Czechoslovak Soldiers Also Measured Mustard Gas in the Persian Gulf"]

[Text] Prague—During the conflict in the Persian Gulf, the Czechoslovak Anti-Chemical Unit measured trace concentrations of mustard gas, as well as low concentrations of sarin. Colonel Jan Valo, former commander of the unit, made this statement to MLADA FRONTA DNES yesterday. He said that he sent the data on the quantities measured to the General Staff right away.

He said that a chemical alarm was declared several times in the war zone. He believes the concentrations of the substances were not immediately harmful to the soldiers' health, but they could have had an influence on it.

Valo said that the veterans would like the condition of every soldier who served in the war to be monitored for a period of 10 years. Therefore, they have asked the defense minister to guarantee them constant medical supervision. To date, 10 Czech veterans have reported health problems.

A law should be adopted in the United States this year according to which Gulf war veterans would have a right to priority treatment regardless of whether their problems stem from the war. Although no connection has been established between the military operations and illnesses, the U.S. Government has compiled a list of Gulf veterans and is trying systematically to trace them.

Baudys on Aspects of Army Building

AU0308135993 Prague REFLEX in Czech No. 31, 20-22 Jul 93 pp 20-22

[Interview with Defense Minister Antonin Baudys by Zdenek Cech and Bohumil Pecinka; place and date not given: "Baudys, the Sharp Shooter"]

[Excerpts] [Passage omitted] [REFLEX] Your predecessors, sir.... There used to be a display case with a shining silver tank inside. You have assumed office in a sector that has undergone the least number of changes since November 1989.

[Baudys] It is a pity that fundamental changes were not implemented immediately—as early as January 1990. However, I must say, regarding my predecessors, that their activity was rather a result of the will of the then federal government. There was not enough political pressure or will to change fundamental concepts. I feel excellent now, since I am happy when something is going on. However, it is unpleasant that a lot of things are happening simultaneously: a complete transformation of the military troops from divisions into brigades, a reduction in the number of troops, cutting down on the length of compulsory military service, redeployment, new structures in the ministry and the General Staff, and the necessity for rearming. There is also the personnel problem: hiring quality commanders. This is actually the meaning today of screening within the Army, which involves extraordinary evaluation of performance, followed by psychological and technical tests.

[REFLEX] You certainly know better than we that the Soviet military intelligence, GRU, [Main Intelligence Directorate] was hiring officers of our General Staff for their services until 1989. Can those people pose a danger today?

[Baudys] The Russian side will never give us their list of agents. That is, the situation is very difficult. People who had very intimate contacts with the special department of the KGB and GRU are still hiding inside our military counterintelligence, officially speaking, in the Military Defense Intelligence. Many of those agents began to behave progressively after November 1989, and succeeded in persuading many official representatives that it is precisely they who are the carriers of the right spirit. At the same time, there were documents, and still are, proving they are simply lying. I guarantee that such people will not stay in the Army. As far as the intelligence service is concerned, its commander was replaced some time ago. General Prochazka, whom I fully trust, has become the chief, and he is pushing for a fundamental solution on the personnel issue.

[REFLEX] Do you anticipate that Czech emigrants to the West, those who have military experience, could be invited to help build the new-type Army? In Poland, for example, Sikorski, who acquired military experience in Britain, was Defense Minister Parys' deputy.

[Baudys] We are using such people as consultants. We spoke about the KGB and GRU, and I would not like something similar—but the other way around—to happen here, that is, for intelligence officers from West European or other intelligence services to penetrate the Czech Army. When filling important positions within the Army, no attention could be paid to those people. Our people must fill them.

[REFLEX] Can you tell us whether your predecessor tried cooperating with emigrants?

[Baudys] I have no information on that. You know, the problem is that not only in the world, but also in our republic, there are many so-called reputable experts who went through various courses of training and bear proud titles, but when you speak to them and ask for specific proposals and plans, then you can see that they have formal qualifications on paper, but no real knowledge or willingness to work.

[REFLEX] You certainly have an idea of what kind of people within the Army should be in responsible positions.

[Baudys] I believe that officers aged between 35 and 45, or 50, should be in such positions. They should be officers who were not much affected by the hard times before 1968 and in the period shortly after that. From my visits in units, conversations, and letters, I know that in the Army there are many qualified people who are only waiting for their opportunity. This is linked to the entire concept of today's personnel changes.

[REFLEX] The Army's goal is to protect the sovereignty of the state. This means to fight, if there is a need....

[Baudys] I know.... In the press, there is much information on how morale is declining within the Army, how combat-readiness is nonexistent, and so forth. I do not agree with those statements. Not so long ago, the commander of the General Staff reported on exercises in the presence of foreign officers and other military experts. The results were excellent.

[REFLEX] You certainly agree with the opinion that for the real security of the state it is advantageous to be a member of an organization of a political and military type. I am speaking of NATO.

[Baudys] My personal attitude toward this matter is quite well known. I am saying: yes. There is no lack of political will in the Czech Government for our integration in Western Europe. At one of the cabinet meetings Foreign Minister Zieleniec was invited to prepare, in cooperation with myself, specific material on this process. There was no deadline fixed, but the matter is urgent. Another thing is, however, the fact that NATO does not want to expand its membership base today. Nevertheless, the Germans said in quite definite terms that they consider our admission to be only a matter of time, and the U.S. defense secretary expressed encouraging words in that direction.

[REFLEX] Have there also been negative statements on that matter?

[Baudys] Openly, as far as I know, no explicitly rejective statements have been published. However, it is a different question whether we are prepared. Should our admission happen within one year or two, then of course, we are not prepared. First, a change in the structure of the Army must be made, so that it should correspond to the structure of the NATO armies, and not to the structure of the former Warsaw Pact. This means to have a system of brigades, not divisions. Brigades are more mobile and can take independent actions. We also have problems with communications, not only because of technical problems, but also because of human problems, so to speak. We are not prepared as far as weapons systems are concerned. Moreover, NATO membership costs something, and the contributions are not negligible, and so forth.

[REFLEX] Do you perceive our NATO membership as something that can only happen in the far future, then?

[Baudys] I perceive our membership in that organization as a normal development. The Czech state belongs to Western Europe historically. The only guarantee for the security of Europe is integrated security. If someone speaks about our possible neutrality, then he must say toward whom he wants to be neutral. The Warsaw Pact does not exist any more, and the two extremes—enabling neutrality somewhere between them—do not exist any more. Whoever supports neutrality simply does not want to participate in the European security system. If someone does not like it, then let him say how he wants to do it. Then, we could discuss it. [passage omitted]

[REFLEX] Sir, at the IDET exhibition you viewed weapons and spoke about the necessity for rearming in order to reach Western standards. Rearming, however, means spending billions, and it is, therefore, not only a military matter, but also an economic matter. Do we have studies summarizing exactly what we need and how much it would cost?

[Baudys] The material on rearming, Westernization, and priorities is just about to be completed. We would like to create for the Army a certain system for rearming projects, including individual stages, which we could implement step by step, according to the resources and possibilities of the state.

[REFLEX] The Israelis have drafted an upgrade concept, according to which they complete apparently obsolete technology with new technology, making it possible to acquire innovated systems without unnecessary, often unmanageable, costs. Are we going to use this concept, too?

[Baudys] Their method is certainly very efficient. By this method weapons can be upgraded, using the new generation of technology, with minimum costs. It would be possible to proceed in a similar manner with our tanks—to complete them with a fire-control system, increase the power of the engines, and so forth. Here, we have to make changes in the most costly direction. This does not apply only to submachine guns, where a new model should be introduced instead of the type 58. At the same time, the Army is prepared, within its budgetary limits, to cover the main part of their needs from deliveries by domestic suppliers. First, this is economically advantageous; second, by doing this, every country acquires a certain degree of military independence. Of course, for smaller countries like us, this causes problems, to a certain extent.

[REFLEX] The Swedes or the Swiss are not more numerous than us, and despite this, they manage the problem successfully.

[Baudys] Yet, neither of them have everything of their own. Here, we must proceed intelligently. Recently, we discussed it at a government meeting. It was sort of a continuation of a debate in the State Defense Council. At this meeting, Finance Minister Kocarnik was given a task to draft, in cooperation with Minister Dlouhy and me, a long-term concept for our attitude toward the domestic arms production in connection with [supplies for] the Czech Army. The thing is that we are planning certain matters long ahead of time, and the state guarantees, in a certain manner, that it wants to participate in certain development. In fact, this is a step to meet our domestic manufacturers half way.

[REFLEX] Are imports from Slovakia foreseen when planning supplies of heavy technology for the Army? For example, the new Ondava motorized howitzers, or motorized minethrowers?

[Baudys] A number of those systems are really of some quality. However, there are a lot of problems here. Very often, they were developed in cooperation with Czech and Slovak research institutes, or directly in the Czech Republic. And they are being manufactured in Slovakia.... When the consequences of the division of the state are solved, I do not see any reason why we should not buy weapons abroad, in Slovakia. This will only depend on our trade policy.

[REFLEX] What about certain weapons systems from the former Soviet Union? Hungarians, as far as we know, spend almost 1 billion dollars for arms, and the MiG-29 planes are highly appreciated even by Bundeswehr pilots, who inherited them from the former German Democratic Republic air force.

[Baudys] I understand you quite well. In the East, we have large claims, but.... First, they are almost irrecoverable, second, there is the fact that if a country imports weapons from somewhere, then it becomes dependent on its supplier in a certain way. He needs spare parts, supplies, and general repairs in case of complex systems. If you do not have guarantees that the development in the country from which you are buying weapons will be sufficiently stable, then it can happen that a failure to deliver spare parts may get you into a complicated situation. Then, when you want to remedy your situation, it will cost you a lot of money, or it may even be impossible. Many a system can serve in the Army for 20 or more years. For all this time you must be sure that the manufacturer will supply you with spare parts. Does the development in Russia and Ukraine today provide this guarantee?

[REFLEX] If, in this connection, you arrive at weapons that the withdrawing Soviet Army could have left behind....

[Baudys] Sometimes, I receive letters about underground bunkers somewhere, full of ammunition and nuclear warheads. Nothing like that has been confirmed.

[REFLEX] Some people are publicly doubting that the Army has full control over all its military airports.

[Baudys] There is nothing that would be hidden to us. I know, of course, what fears are behind such reports. Well.... I, myself, I believe that in the countries of the former Soviet Union, there is the key to the security of the entire Europe.

[REFLEX] How has the Czech Army been deployed on our territory in this situation?

[Baudys] The Army has been deployed uniformly over the territory of the republic, and we have one rapid deployment unit here, who should become professional. Its task will be to defend the security of the country, not only from danger from outside, but also from a threat from inside, in harmony with our constitution and other laws.

[REFLEX] To what extent will the Army be professional, after the length of the basic military service is cut down once again?

[Baudys] After the division of Czechoslovakia, the Czech Army was left with 100,000 soldiers on paper, but in fact, there were 7,000 fewer of them. We anticipate that as of the end of 1995, or in midyear of 1995, the Army should have 65,000 people, while the number of professionals should increase to some 47 percent. Moreover, there should be changes in certain ranks of professionals. We have very few noncommissioned officers and too many high-ranking officers. Until recently, they were being promoted after certain length of service, and later on again, until their retirement. On the contrary, the new professional system foresees that there will not be many officers in the Army service who would stay here for most of their active life. Officers should serve, as a rule, on the basis of a term contract. For five or 10 years. This will come closer to the European standard. Changes in the military school system are also planned in that connection, since the military education system offers certain educational subjects that are identical to those taught in the civilian system. I can say even now that we are not anticipating that the Military Medical Academy should be preserved, and neither will the nonsense which we call military secondary schools.

[REFLEX] From time to time, it may seem that the Czech Army is, forgive this expression, an unfortunate body that would need to be dismantled into its atoms and then put together again in a different way.

[Baudys] No! The staff of commanders is one thing—it may be of lower quality in certain respects, but on the other hand.... Two days ago, there was a competition in Italy of parachute troops, in which participated all countries, with few exceptions, that have a real army in the true sense of this word. American Rangers were there, Britons, French, and Israelis. But in the combat art, Czechs won, in general. Can you imagine a better proof that our Army is not so bad? [passage omitted]

[REFLEX] Speaking of human rights, how do you view the humanization of the Army, about which we hear so frequently?

[Baudys] Humanization of the Army is quite a complicated matter. In the first place, the spiritless drill must disappear, but order within the Army must be preserved. There, where civilians can be employed, they should be employed. We do not have to use soldiers to solve everything. [passage omitted]

'Czechoslovak Masaryk Party' Founded 28 Jul

AU0208131193 Prague CTK in English 1750 GMT 29 Jul 93

[Text] Prague [dateline as received]—A new political party, the Czechoslovak Masaryk Party, was founded on Wednesday [28 July]. It has eight hundred supporters.

The party, which describes itself as centrist, started talks with the Democrats '92 Movement on Wednesday, and intends to negotiate with other centre parties.

Lubos Olejar, a steering committee member, said the party was willing to consider the reinstation [as received] of co-existence between Czechs and Slovaks, and would not forget Moravia.

Meciar on IMF Managing Director's Visit

LD0208082193 Prague CTK in English 0645 GMT 2 Aug 93

[Text] Bratislava, August 2 (CTK)—The International Monetary Fund (IMF) looked at Slovakia with respect and admiration, Slovak Premier Vladimir Meciar told Slovak television last night, when reviewing the results of a recent IMF mission to Slovakia and a visit by the head of the IMF Council of Executive Directors, Michel Camdessus to the country.

We received the highest possible loan of this sort, and moreover...we will get further financial resources from other banks soon, Meciar said, commenting on the IMF loan of 90 million USD to Slovakia, which was approved by the IMF executive directors this week.

The world trust us, let us trust ourselves too, Meciar stressed.

Camdessus made his pledges not only as the IMF representative but also as my friend, and thus the friend of the Slovak people, Meciar added.

He emphasised that the Slovak Government and its economic policy had considerably more respect abroad than on the domestic scene. It (Slovakia's economic policy) is praised abroad...while at home it is said that we have no economic policy at all. Where is the truth? Meciar asked.

Referring to the course of the privatisation process in Slovakia, he said that some moral questions were yet to be settled. For example, the media are still somehow striving to impair national consciousness and unity. Social life had now to be cleansed of everything that casts doubt on legislative principles and confidence of (Slovak) citizens, Meciar concluded.

SNS Officials Comment on Coalition Talks

AU0308135893 Bratislava PRAVDA in Slovak 30 Jul 93 pp 1, 3

[Interview with Ludovit Cernak and Jozef Prokes, chairman and honorary chairman of the SNS, by Olga Prekopova in Surany on 28 July: "When Slovakia Is at Stake, I Am Ready To Deal With the Devil Himself!"]

[Excerpt] "We are not going to play cat and mouse. The Slovak National Party (SNS) is concluding the first round of the coalition talks, which the SNS considers to have failed because the Movement for a Democratic Slovakia (HZDS) representatives were not politically ready for a possible coalition. They opted for completely different methods than we expected," SNS Chairman Ludovit Cernak said in Surany early Wednesday evening (28 July). He and the honorary chairman of the party, Jozef Prokes, took part in the meeting of the Nove Zamky District Council of the SNS, which renounced attempts by the HZDS chairman to disgrace Ludovit Cernak and SNS deputies of the National Council of the Slovak Republic, and expressed full support for its chairman as head of the delegation also for the possible future rounds of coalition talks. We took the opportunity to ask the SNS representatives the following questions:

[Prekopova] You still see the coalition of nationally oriented bodies as the only way to stabilize the political scene in Slovakia—so you have not definitively ended the talks with the HZDS. In what circumstances will you go on with the talks?

[Cernak] Time will show the solution. The boards of both groupings will discuss the approach of their "top brass" in further talks, for which our party is ready, but the HZDS should make the first step. It is likely we will continue with new faces.

[Prekopova] Do you know specifically who will represent the SNS?

[Cernak] I do not wish to manipulate the outcome, but the Presidium unequivocally confirmed me as head of the delegation for the next round of the coalition dialogue. I am going to present this information to the Central Council on Saturday [31 July]. I am glad of the support from below, from the members of local organizations, as here, in the ethnically mixed Nove Zamky district. I believe that the Central Council will again designate me head of our delegation. When it is Slovakia at stake, I am ready to deal with the devil himself, albeit I am not used to making categorical statements.

[Prekopova] Let us go back to the million korunas you allegedly requested for the SNS from [Finance] Minister Toth. At the HZDS news conference, Roman Hofbauer [minister of transport communication and public works] proclaimed that you have no evidence to disprove such a request....

[Cernak] The conversation with Minister Toth was one on one. I was very surprised to learn that the prime minister has five witnesses. Minister Hofbauer must be the sixth one.... I insist on my statements. How could I have asked for a million from the state budget? That would require numerous applications, parliament approval.... People should be aware of the scope of their statements, for such Mafia-like accusations and Balkanization of politics have a tremendous effect on foreign politics. Look, our party could have waited three or four months for the consequences of the devaluation, the social pressures, and then speak about the incompetence of the government. True, we do not have a magic wand but we entered the fray because the citizens associate the economic and social crises with the birth of Slovak statehood, and that we cannot allow.

[Prokes] I believe that in this context Minister Toth got himself into a very unhappy situation. At this time, the stand he presents is for him the only feasible one. Can you imagine what would transpire if he said that Cernak has not asked for any money.... If you permit me to go back to the coalition talks: A certain unfavorable turn in the talks occurred when our partners received the SNS

draft coalition agreement—each of the two parties was to prepare its draft, and the documents were then to be exchanged—while the HZDS did not manage to prepare its draft. Our draft clearly indicated that we refuse to be a HZDS nursery. We intend to maintain our identity and the right to our own world view. From this moment on, the original accommodating attitude gradually disappeared to eventually become such an atmosphere so that we could not go on. [passage omitted]

Border With Czech Republic To Be Marked

AU0308123693 Prague CTK in English 1744 GMT 30 Jul 93

[Text] Prievidza/Bratislava July 30 (CTK)—On August 2 the Slovak-Czech border will be marked with the first 30 border stones, Deputy Director of the Geodesic and Cartographical Institute Jan Dobes told CTK today.

These and further stones are being supplied by the Slovak firm Mramor. In all, there will be four primary stones, about 90 main stones and 850 intermediate stones. Mramor has guaranteed the stones to last 100 years.

Dobes said that when the stones were ordered the Institute had been unaware that one of Mramor's owners, Vladimir Mjartan, was the brother of Slovak Ambassador to the Czech Republic Ivan Mjartan. This did not affect the Institute's choice, though, since Mramor's prices were much lower than those of other bidders, he said.

Czech, Slovak News Agencies Agree To Cooperate

LD0308173593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 3 Aug 93

[Text] Representatives of the Press Agency of the Slovak Republic and of the Czech News Agency held their first joint meeting in Brno today. The two agencies have not been cooperating since 1 January this year. The outcome of the meeting is an agreement to exchange photo services. The agencies will also discuss exchanging voice news items as well as unresolved financial issues which should be settled to the credit of the Press Agency of the Slovak Republic.

Jeszenszky on Relations With Neighboring Countries

LD0408100593 Budapest MTI in English 0900 GMT 4 Aug 93

[Text] Budapest, August 4 (MTI)—Hungarian Foreign Minister Geza Jeszenszky discussed Hungary's relations with several of its neighbours, in an interview carried in the Wednesday issue of the daily "UJ MAGYARORSZAG". The title of the article emphasizes that Hungary has no border debates with any of its neighbours. The Hungarian position on concluding so-called basic treaties, and within this, the issue of borders, was discussed in detail.

In this context, Jeszenszky said: Based on the 1990 government programme, Hungary is ready to set down the basic principles and mutual interests of relations with its neighbours and with other states in contract form. Only complex agreements that extend to all areas of relations with our neighbours are meaningful for Hungary. These should consist of many elements, covering political, economic, cultural, ecological and other issues.

In areas inhabited by Hungarian minorities, the agreement must include guarantees on the rights of the Hungarian (and domestic non-Hungarian) community, in concert with the views of those concerned. In this manner, we have involved the Romanians living in Hungary in the Hungarian-Romanian talks, and we support the demand of the Hungarian Democratic Union of Romania (HDUR) to have their opinion heard as well.

If a country is ready to ensure the guarantees demanded by Hungarians living there—for instance, local government, safeguarding the school system, the use of Christian names and of village and town signs, proportionate representation on all levels, the administrative cohesion of Hungarian groups, and so on—and all that the Council of Europe expects and intends to control, we shall be able to conclude agreements with them. Closer cooperation can then evolve from this, which would accord to our common traditions and customs, the foreign minister said.

Foreign minister Jeszenszky went on to say "it is not Hungary, rather some of its neighbours who keep the issue of the borders on the agenda, in order to attribute border-revisionist efforts to Hungary before their own and the international public.

I consider it unnecessary to repeat, for the hundredth time, that we respect the peace treaties enacted and guaranteed by the great powers in 1920 and in 1947. However, inasmuch as our neighbours recognize and guarantee the rights, equality and state-creating character of Hungarians living beyond our borders, then we can seek formulations that confirm the territorial decrees of the peace treaty and the validity of the Helsinki Final Act's articles. But the two cannot be separated.

All this follows from the 1989 programme of the Hungarian Democratic Forum (HDF), in other words, it is not a consequence of momentary internal and foreign policy considerations. I consider it extremely regrettable that domestic factors also occasionally contribute with their own remarks to the spreading of slander hurled at the country, or by repeating, almost delightfully, the foreign accusations, or by giving greater publicity to the distortions, unilateral and impossible presentations than to the position of the Hungarian Government. We should not sacrifice our national interests on the altar of party interests" Foreign Minister Jeszenszky said in the interview.

Stricter Controls Introduced on Serbian Border

LD0208173493 Budapest MTI in English 1719 GMT 2 Aug 93

[Text] Budapest, August 2 (MTI)—The Hungarian Border Guard is to introduce stricter controls on the Hungarian-Serbian border in the area between the Danube and Tisza Rivers, to prevent illegal border crossings and smuggling by car.

The Border Guard has again put two, previously shut down, border guard outposts into service, and will continue to deploy road-blocks on the dirt roads leading across the border, Border Guard spokesman Attila Krisan told MTI on Monday.

There have been several successful illegal border crossings by smugglers and several unsuccessful attempted crossings across this specific border section, some with vehicles.

SZDSZ Chairman Views Election Possibilities

AU0308092493 Budapest MAGYAR HIRLAP in Hungarian 2 Aug 93 p 4

[Interview with Ivan Peto, chairman of the Alliance of Free Democrats, by Szabolcs Szereto; place and date not given: "Ivan Peto: The SZDSZ Has Become Stronger in Recent Months—The Maximum Goal Is Winning the Elections"]

[Excerpts] According to Ivan Peto, the Alliance of Free Democrats [SZDSZ] has become a more balanced party during his chairmanship. He expects that Parliament will be more balanced from 1994 and none of the parties will have as much of a majority as the Hungarian Democratic Forum [MDF] had in 1990. In the elections, he would consider it a good result if his party acquired as many places as in 1990, but the main goal is for the SZDSZ and the Federation of Young Democrats [FIDESZ] to form the backbone of the future government coalition. The maximum goal is winning the elections and acquiring the largest number of mandates.

[Szereto] You were elected as chairman of the SZDSZ for two years in November 1992. Enough time has elapsed since then to assess your work so far. What have you

managed to accomplish from the original plans and what are you satisfied or dissatisfied with?

[Peto] Without being overconfident, I can say that we managed to achieve the main goal. In the past period, the SZDSZ has turned into a balanced party that is outgoing and is not preoccupied with its internal problems. There is still room for normal internal discussions but these are not self-reproaching conflicts full of strong emotions fighting against each other. In this area, we have managed to accomplish my ideas and the SZDSZ's position is clearly better than six months ago. The internal situation of the party has improved and the public can also see this. I am convinced that by the time of the elections, the SZDSZ will be an even more accepted party. I would like to emphasize that this is not only my personal achievement but I see all this as the accomplishment of my own original goals.

In addition to this, we managed to implement most of the planned structural changes. Compared to other parties, we are in a good position regarding the election preparations, too. In my view, it is important to reduce the number of conflicts at the local governments and I believe that we have also managed to achieve an improvement here. This is partly due to the SZDSZ's consolidation and partly to the fact that the local governments have gone through the learning phase.

As to what I am dissatisfied with, I can only say that the SZDSZ could have an even better position in all of the above areas, and the aforementioned should be seen as relative successes. [passage omitted]

[Szereto] People assessing the SZDSZ-FIDESZ agreement emphasize that the alternatives have become clearer through this and the three poles of domestic politics have become better defined. At the same time, it is likely that none of the three trends—left wing, liberals, conservatives—will receive a big enough majority to form a government on its own. Do you agree with [Hungarian Socialist Party Chairman] Gyula Horn's view that the country is bound to have a broad coalition?

[Peto] The agreement only states with which parties the two parties do not wish to work together before the elections. As for the coalition after the elections, we agreed that the FIDESZ and the SZDSZ will see each other as first-choice coalition partners. The agreement does not define further steps and both parties are ready to extend the coalition on given conditions. I think it is likely that, similarly to the period before the previous elections, the debate will flare up on whether a big coalition is ideal for the country or a different set-up in which the government has a serious and strong alternative. Both ideas have advantages but I think that it is too early to decide this question at the moment.

[Szereto] Many people think that the agreement binds the FIDESZ and the SZDSZ too much together. This can lead to a situation where, if one party happens to damage its reputation for some reason, it can drag its partner with it at the elections.

[Peto] I am not worried about this because the agreement precisely defines the framework of the two parties' cooperation. It has to be made clear to the public that we can only be responsible for each other's actions within the limits of the agreement.

[Szereto] What is the minimum result you would be satisfied with at the elections?

[Peto] In my view, none of the parties will have as big a majority in 1994 as the MDF did in 1990. The next Parliament will be much more balanced; therefore, it will be completely different to have 70 to 90 mandates then in the current Parliament. The minimum goal is for the SZDSZ to be among the first ones in this even Parliament. I would see it as a decent success if we had as many seats as in 1990 but a somewhat smaller number might mean at least as much weight in Parliament as the SZDSZ now has. Naturally, the main goal is for us and the FIDESZ to jointly form the backbone of the next government coalition. The maximum goal is winning the elections and acquiring the largest number of mandates.

[Szereto] It is public knowledge that the nomination for the prime minister's post will be made public as the last step of the nominations. At the moment, the party chairman can be seen as the most likely person for the position of list leader. If it so happened, would you accept a public executive role, can you see yourself in such a position?

[Peto] I have assessed all the possible consequences of being a party chairman. In case of a successful election performance, the public executive office is among them.

Border Guard's Financial Resources Examined

AU0308165293 Budapest MAGYAR HIRLAP in Hungarian 3 Aug 93 p 3

["L.K."-signed report: "There Will Not Be Enough Money for New Weapons and Armored Cars—In 1994, Some 1,000 Fewer Conscripts Are Expected To Be Recruited Into the Border Guard"]

[Text] In 1994 the changeover to professional staffing will temporarily be halted, in contrast to previous expectations the number of action units will not increase, and there will not be enough money for modernizing the armaments, we learned from Jozsef Lajtar, the economic director in charge of the Interior Ministry's Border Guard.

The Border Guard's 1993 budget is 8.2 billion forints [Ft] but, due to the increased number of regular staff, this amount was not enough for salaries and related expenses; therefore, the supplementary budget awarded Ft1.1 billion to this body. Out of this, some Ft720 million is used up by salaries and related expenses, while Ft220 million is used for the regulars' uniforms.

Some Ft120 million will be spent on technical development: Some Ft60 million will be spent on buying an

information system and another Ft60 million on 15 all-terrain personnel carriers. As a government investment, some Ft300 million will be spent on establishing a computer system at the border stations. The U.S. Government supplied the computers and the software, and the equipment for transmission [atviteltechnika] will have to be financed from domestic resources.

It is typical of the financial situation of the Border Guard that the planned six new border stations can only be operated if the necessary Ft62 million is received from the Finance Ministry.

They are planning to sell almost 90 unused border guard properties, we learned from Jozsef Lajtar. Up until now, they have only managed to sell 24 former border station buildings, and the income from this was only Ft180 million as opposed to the expected Ft600 million. According to Lajtar, they will be able to sell at least another 50 properties by the end of 1993. However, until this is done, some 430 border guards have to be used to guard the buildings.

According to the plans, the budget of the Border Guard will be Ft10.3 billion in 1994. The excess amount only covers the increased salaries recognized in the 1993 supplementary budget; therefore, there will not be more money for operational and maintenance costs, in spite of inflation. For this reason, temporarily, the changeover to professional border guarding will be halted and conscripts will continue to be on duty at the Austrian border and certain sections of the Romanian border. In 1994, the number of action units will not be increased, either—at the moment, there are 19 of them—although the original plans proposed setting up 25 units. However, Lajtar can see a chance that the missing six will be set up in 1995 and that the changeover to professional border guarding can be completed by 1996, with a one year delay.

The draft budget can provide financing for a slow modernization of the information system and purchase of a few all-terrain vehicles, but it will not be possible to change the armaments of the outdated armored vehicles. However, as a result of another Ft386 million investment, the construction of the computer information system will be completed. By the end of 1994 all border stations will be able to have a computer link to the central files.

In Lajtar's view, it will be possible to make a small savings in 1994 through a small reduction of staff and through rationalizing the organization. According to the plans, the now 12,800 conscripted staff will be reduced by some 1,000.

Lajtar said that the average gross monthly earning is approximately Ft28,000 at the moment; officers earn Ft42,000, warrant officers earn Ft24,000, while public employees earn Ft20,000 on the average. This year, in accordance with the decision of the Interest Coordination Council of the Budget Institutions, everyone will receive a Ft461 wage rise backdated to May, and the plan includes a 10 percent automatic increase in 1994. At the same time, the Ft2,000 difference between soldiers and border guards of the same rank has to be eliminated, but it is not yet clear what this will mean for the budget.

Russians Asked To Adhere to Withdrawal Schedule

AU0408101093 Warsaw PAP in English 1943 GMT 3 Aug 93

[Text] Warsaw, Aug. 3—The decision of the commander of the remaining Russian army units in Poland to suspend the troop withdrawal timetable is a whim contrary to the intentions of the government of the Russian Federation, and the Polish Government expects the last Russian military transport to leave the base in the Warsaw district of Rembertow by midnight on August 3, the Polish Government Press Office announced on Tuesday [3 August].

The controversy arose earlier on Tuesday, when General Leonid Kovalov, commander of the operational group of Russian troops in Poland, suspended the withdrawal of a special communications brigade from its base in Rembertow, justifying the move on the grounds of a lack of agreement with the Polish side as to the location of the Russian military mission to supervise the transit of Russian troops from Germany.

General Zdzislaw Ostrowski, Polish Government commissioner for the stationing of Russian troops in Poland, personally handed over a strong protest to Kovalov, in which it was stated that approval to allow the logistics team a separate base could be granted only if the Russian Embassy in Warsaw would explain why it is renting out to trading companies office space on embassy premises which could be used to house the logistics mission.

Commenting on the situation earlier on Tuesday, General Kovalov told PAP in a phone conversation that the Polish side's unwillingness to cooperate in solving problems connected with transportation of the troops is a real threat to the withdrawal timetable. The Polish Government should understand what responsibility they are assuming when such a big operation of transporting troops and military hardware is stopped, he stated.

A rail transport of the special communications brigade is ready to leave Poland and is now awaiting a decision, in a siding at one of Warsaw's railway stations.

According to Vladimir Napalkov of the Russian Embassy's press office, the Russian side cannot agree that the thirty logistics officers should stay at the embassy. "We cannot agree, because it would be a militarization of the embassy," he said.

General Ostrowski Comments

LD0408095093 Warsaw Radio Warszawa Network in Polish 0600 GMT 4 Aug 93

[Text] According to a report received in the early hours of this morning, the last remaining Russian army unit, made up of 150 soldiers, is still in Rembertow. The reasons for halting the withdrawal were today explained by General Zdzislaw Ostrowski, Polish Government plenipotentiary for the stationing and withdrawal of the Russian Army Northern Group troops, who gave an interview for the "Signals of the Day" program:

[Begin Ostrowski recording] In my opinion, the only reason for the halting of the withdrawal of some of the subunits of the 20th Signals Brigade from Rembertow is the failure to resolve the issue of the siting and housing of a military mission, which is to be set up after the complete pullout of the Russian Federation troops. I stress very strongly: The mission should start its work after the complete withdrawal of the Russian Federation troops.

We were in favor of the mission being set up a little earlier before the withdrawal was completed to provide a smooth handing over of matters which used to be handled by the offices of the Russian Federation and the Government of the Polish Republic. [end recording]

'Sharp Protest' Filed

LD0308174493 Warsaw Radio Warszawa Network in Polish 1700 GMT 3 Aug 93

[Text] We have at this moment received a very up-to-date piece of news. The Polish Government has informed the Russian military authorities that separate premises in Warsaw for the Russian mission handling the transit of the military forces of the Russian Federation which are being withdrawn from the Republic of Germany will be allocated only after clarification of the reasons why the Russian Embassy is commercially hiring out premises of the diplomatic representation of Russia in Warsaw to trading firms, when the Russian Military Mission could be located in these premises. Poland feels this practice, which hampers the Polish authorities in implementing the law in relation to these firms, should be censured and is contrary to international custom.

The attempt by the Russian Federation plenipotentiary, Colonel General Leonid Kovalov, to block the departure of the last transport of Russian forces from Rembertow, in response to this Polish request for clarification, is an act of unprecedented license, which breaks the accords of the Polish-Russian agreement on the withdrawal of forces.

On this matter, General Zdzislaw Ostrowski, the plenipotentiary of the government of the republic, has today delivered a sharp protest to Colonel General Kovalov. The Polish Government regards the behavior of General Kovalov as a foible running contrary to the intentions of the government of the Russian Federation. The Polish Government, we read in the communique of the Government Press Office, expects that in accordance with the assurances of the Russian Ministry of Foreign Affairs, the evacuation of the Russian forces is continuing, and that the last military transport will leave Marysin for Russia as was earlier established, that is today.

Troops Remain in Rembertow

LD0408084493 Warsaw PAP in English 0814 GMT 4 Aug 93

[Text] Warsaw, Aug. 4—A special communications brigade of Russian troops continues to stay at Rembertow, with the report being confirmed by Senior Dispatcher of the Central Railway District Ryszard Pedzich late last night. Neither were there any preparations for the departure of Russian troops from Poland in the early hours of Wednesday [4 August].

Last night, the government press office said that the Polish Government expected the last transport of Russian troops to leave Rembertow still on Tuesday.

According to unofficial reports from Russian troops, the minimum time necessary to prepare a military unit to leave is one or two days.

Pawlak Says Government 'Exceeding Its Powers'

LD0308212493 Warsaw PAP in English 2101 GMT 3 Aug 93

[Text] Warsaw, Aug 3—Leader of the Polish Peasant Party (PSL) Waldemar Pawlak on Tuesday [3 August] criticized the Suchocka government for exceeding its powers.

Speaking at a press conference on issues related to the election campaign Pawlak declared: "Ms. Hanna Suchocka's government recalled by Poland's Sejm (Lower House) not only continues to rule but also keeps exceeding some of its powers."

The PSL leader stated that in the opinion of his party the government was going beyond the powers it possessed in matters relating to privatization and charged that it was using its apparatus to collect information about political parties, social organizations and religious organizations.

Pawlak pointed out that the government had not obtained special powers in matters of mass privatization but was trying to force enterprises to participate in the mass privatization programme by depriving them of economic independence.

He also objected to Prime Minister Suchocka's call of Monday for apolitical provincial administration stating that the government "should not forbid the state administration officers to carry out political activity if it gives that right to its own ministers."

The PSL leader warned against the "domination of one option" or "the democratic union broadely represented in the government." He also demanded that "attempts be abandoned to use the state structures in the election campaign for the purpose of realizing one's own group interests."

Also, public administration workers running for the Senate as candidates of the Liberal Democratic Congress (KLD) declared on Tuesday they were surprised at the prime minister suggesting the necessity to choose between public service and active participation in the elections.

"In a situation when the president, the prime minister and even the head of the cabinet office are not avoiding involvement in the election campaign there seems to be no reason to limit the constitutional right of other state administration officers," the KLD leader Donald Tusk said.

Meanwhile, Chairman of the Polish Socialist Party (PPS) Piotr Ikonowicz issued a statement Tuesday that the PPS will run in the elections on the ticket of the Democratic Left Alliance (SLD) in accordance with the decision of the PPS 26th congress which has elected new party authorities and new members of the Central Executive Committee.

Ikonowicz's statement denies an earlier report by the Central Executive Committee according to which the congress was convened illegally.

Leader of the Coalition for the Republic (KDR) Jan Olszewski told a meeting of supporters in Piaseczno, near Warsaw that the KDR will run in the elections on its own.

He stated that the KDR will take the form of a committee of voters and will therefore have to win 5 per cent of votes instead of 8 per cent if running in coalition with Jaroslaw Kaczynski's Polish Unity.

Olszewski stressed he regretted that the centre-right was unable to overcome difference and unite which "proves that we are slaves to a set-up controlled and planned by communists."

The KDR electoral programme presented during the meeting calls for a new and fair privatization programme, for creation of new jobs, integration with the European communities on terms guranteeing the protection of the interests of the national economy and elimination of the influence of the secret collaborators of the former communist security services on public affairs.

Government Responds

LD0308224593 Warsaw PAP in English 2202 GMT 3 Aug 93

[Text] Warsaw, Aug 3—The government press bureau on Tuesday [3 August] forwarded a communique to PAP in which it expresses its surprise by statements made by the representatives of political parties, who subject the running for parliament of ministers and provincial governors to identical rules thus making no difference between politics and the public service.

Members of each government enter it following the recommendation of political groupings and it can hardly be requested from them that they renounce their parties and activities in those parties.

The Small Constitution explicitly forbids the combining of functions of a provincial governor and the parliamentary mandate.

Active participation in the elections of provincial governors, deputy governors and their subordinates and the normal functioning of the administration, which is apolitical in every democratic state, are irreconcilable. The instruction by the prime minister concerning the conduct of that group of public employees in the electoral campaign followed the opinion expressed by the ombudsman, who proposed such a solution.

The Polish Peasant Party stands in the front line among those who criticize this clear rule. The party's Tuesday statement explicitly indicates that PSL resolved to start its election campaign from launching a sharp attack against the government. The wording of the statement exceeds the rules of conducting the election campaign.

The PSL accuses the government of using its own information system to infiltrate the activities of political parties. Information services of provincial governor are collecting exclusively information on the social-economic situation in provinces, which are generally available. Similar reports were also collected during the premiership of Waldemar Pawlak. The only difference consists in the fact that now these reports are made daily.

The PSL also forwards false charges testifying of its ignorance with respect to the privatization process.

All enterprises which are to participate in the mass privatization programme are entering the programme voluntarily, this stems from regulations adopted by the parliament.

The government considers as its obligation to start the mass privtization programme for several hundred enterprises have been waiting for it.

The PSL also blames the government for delay in the introduction of the excise tax bands. The Finance Ministry will present those bands at a press conference soon, the communique states.

Kuklinski To Return in Sep; Sentence Still Stands

LD0308180793 Warsaw PAP in English 1755 GMT 3 Aug 93

[Text] Warsaw, Aug 3—Former Polish Army Colonel Ryszard Kuklinski, who in 1981 defected to the United States with the plans relating to the imposition of martial law in Poland in December 1981, is to return to Poland in September, it was announced on Polish Radio on Tuesday [3 August].

According to journalist Jozef Szaniawski, who is in close contact with Kuklinski, the former colonel is to attend commemorations on September 17 of the anniversary of the Soviet invasion of Poland at the start of the Second World War in 1939, when he will lay a wreath on the Tomb of the Unknown Soldier in Warsaw's Pilsudski Square, and attend a mass at the Cathedral of St. John the Baptist. A press conference is also likely.

The invitation to Kuklinski to attend commemorations of the Soviet invasion was issued at the end of July by Centre Alliance leader Jaroslaw Kaczynski, and Jan Parys, leader of the Movement of the Third Republic of Poland.

Before his defection, Kuklinski was deputy to the head of the operational headquarters at the General Staff of the Polish Army, and had by his own admission worked for the American CIA since the early 1970s. In November 1981 he secretly left Poland, taking with him plans relating to the planned introduction of martial law. A Warsaw court martial sentenced him to death in absentia for treason in 1984, commuted in 1990 to 25 years prisonment.

Despite appeals from Kuklinski's family, and several leading rightist politicians, the sentence still stands. The case was last reviewed formally in May 1990, when the then Justice Minister Aleksander Bentkowski refused to grant an extraordinary retrial. At the time, Bentkowski asserted that "the aims and the motives behind Col Kuklinski's actions had a character other than patriotic."

Olszewski Party To Run Alone in Elections

LD0308205993 Warsaw Third Program Radio Network in Polish 2000 GMT 3 Aug 93

[Text] The Coalition for the Republic [KdR] will run in the elections on its own, KdR Leader Jan Olszewski said at a meeting with about 150 residents of the Warsaw suburb of Piaseczno. The KdR will adopt a form of electorate committees [komitety wyborcow] and, consequently, will have to reach the five percent threshold of votes, as opposed to eight percent, which would be necessary if the KdR entered into a coalition with Jaroslaw Kaczynski's Polish Union.

Both the KdR representatives and the Piaseczno residents who attended the meeting voiced sharp criticism of the government, particularly for not index-linking old age and disability pensions.

Solidarity Decision on Election Candidate Criteria

LD0308195193 Warsaw Third Program Radio Network in Polish 1900 GMT 3 Aug 93

[Text] The Solidarity National Commission Presidium has resolved that competence and effectiveness of activities for the union should be the basic criteria in deciding an order of Solidarity candidates on the national list. The proposal will be discussed on 19 August at a meeting of the National Commission, which is also going to examine a report on collective disputes with the government.

The Presidium has also discussed problems in the privatization process in some enterprises, taking Walbrzych porcelain works as an example. The Presidium is going

to ask the National Commission for approval for staging a demonstration in Walbrzych to express a nationwide protest against the government's indifference in the matter.

Chrzanowski Interviewed on Party Platform

LD0308155593 Warsaw PAP in English 1531 GMT 3 Aug 93

[Text] Warsaw, Aug 3—The chairman of the Christian-National Union (ZCHN) Wieslaw Chrzanowski told PAP Tuesday [3 August] that the image of his party as almost exclusively interested in banning abortion and promoting Christian values was created by the media and did not reflect the truth.

"Of course we do not deny that spiritual issues are important for us, but the party has also helped pass the budget through parliament, increase tariff protection of home producers, and work out restructuring programmes for the arms industry," Chrzanowski noted.

"Our fears connected with Poland's association with the EC have recently found substantiation and the prime minister and the finance minister have lately spoken of EC 'discrimination' against Poland," the ZCHN leader observed.

"We want to protect home producers, businessmen and craftsmen and this is not just an election slogan but our long-term commitment," said Chrzanowski.

He suggested a post-electoral coalition between his party and the Centre Alliance (PC) or the Coalition for the Republic of Poland led by Jaroslaw Kaczynski and Jan Olszewski, respectively, was not very likely. According to Chrzanowski, the Democratic Left Alliance (SLD) was the only party with which ZCHN would not be prepared to cooperate in the new Sejm.

KPN Vice Chairman on Party, Elections

WS0308130093 Warsaw Radio Zet in Polish 0615 GMT 2 Aug 93

[Studio interview with Krzysztof Krol, vice chairman of the Confederation for an Independent Poland, KPN, by Andrzej Woyciechowski; from the "Guest of Radio Z" program—live]

[Text] [Woyciechowski] Have you been on vacation yet?

[Krol] Yes, six days in the mountains.

[Woyciechowski] And how was it?

[Krol] Very nice.

[Woyciechowski, interrupting] Did you conduct an intensive election campaign among mountaineers?

[Krol] To answer your question seriously—down there KPN has traditionally been enjoying strong support.

[Woyciechowski] [Words indistinct]. ...and KPN?

[Krol] KPN has strong support especially in Galicia, especially in southern Poland but not only in Silesia, the south of Poland is . . .

[Woyciechowski] But why?

[Krol] First of all, these are the regions of the Austrian sector of partitioned Poland and over there, supporters of Pilsudski are always stronger than in the Congress Kingdom of Poland and in the Great Poland region. Also, it is a highly industrialized region—KPN is mostly a party of industrialized regions, these are the two . . .

[Woyciechowski, interrupting] Is KPN a party of the proletariat?

[Krol] No, no. KPN is a party which does not try to target any social group but it is true that we get the biggest support from skilled laborers, second from working intelligentsia, third from the youth, fourth from unskilled laborers. But there is a very similar structure in the whole of Polish society—skilled laborers are the biggest group, and then it goes down like this, so KPN is a party with a very clearly reflected social structure.

[Woyciechowski] What about KPN's election campaign which, as we can learn from reading the newspapers, is about members or supporters of KPN canvassing? Do they really go from house to house?

[Krol] They really do. And this is for two reasons: We do not have the money for paid television commercials, we do not have the money for huge numbers of posters or leaflets, and we also think that canvassing is the least expensive form of getting to the voter. Also, canvassing which is very typical for election campaigns in the United States or Great Britain (it is the basis there), in Poland it is not the habit. It seems we will change that and that will be a plus for KPN. Third, people are somewhat fed up with contact through loudspeakers and especially through television, and they are happy they can have individual, direct contact, but it is not . . .

[Woyciechowski, interrupting] Tell me — I read in a newspaper about 2 million households, is that right? But they never called on my house. Why is that?

[Krol] Yes, I mean 2 million people to be exact. That is not the same as 2 million households— we have about three to four persons per household, so . . .

[Woyciechowski, interrupting] So why hasn't anybody visited my house?

[Krol] I mean, what district are you from?

[Woyciechowski] I live in Zoliborz.

[Krol] I see, so apparently you live in that part of Zoliborz, I mean not in Wrzeciono because we've been there, but nothing is lost yet — someone will show up.

[Woyciechowski, interrupting] How does it happen? Let's explain it to all those who have yet to be visited by

the KPN. One day there is a ring at the door — Good morning, I'm from KPN. And then what? What is such a conversation like?

[Krol] Then, generally a young couple, that is a boy and a girl, would introduce themselves as representing KPN, they would hand over a KPN leaflet entitled "Do You Really Know KPN?", and they would ask whether you would like to receive any more substantial material, whether you would like to talk, they would bow...

[Woyciechowski, interrupting] What if someone says: Thank you, I am not going to vote for KPN anyway; then are they going to convince that person to vote for KPN, or not?

[Krol] No. I mean, if every conversation took that much time, then we simply wouldn't be able to canvass in all the households. The principle is the following : smile, give the basic leaflet, ask whether other, more substantial material is not needed, and talk for a short while. And that is that...

[Woyciechowski] So the canvassing is not done by the big names people are going to be voting for, but rather by young people introducing the party. Have you done any canvassing?

[Krol] You are tempting me to confess. Yes, I did some canvassing with a group of young people, except that I was dragged into each household for a long time.

[Woyciechowski, interrupting] Does [words indistinct] also canvass?

[Krol] No, no. I don't know. Unless he does in Krakow because he is running in Krakow and I in Warsaw. But I admit that I had very many, I mean five or six very nice conversations but they were very long ones, I mean people simply want to talk for a long time with me.

[Woyciechowski] What about the elections? Who is going to win and what will happen after that?

[Krol] I mean—one of the two options will win for sure: either the current government coalition or the antirecession opposition. If the antirecession opposition wins, then I hope it will be an opposition centered around KPN and PSL [Polish Peasant Party].

[Woyciechowski] You said KPN and PSL with one breath but up until now, these parties were associated together infrequently, both parties were mentioned in one sentence infrequently. Rumor has it around town — you've heard it and so have I — that among the many possibilities of post-election coalitions, there is a possibility that the coalition will be created by BBWR [Non-Party Bloc in Support of Reforms], PSL, and KPN. What does KPN say to that? Can you deny it? Can you say it is an introductory rumor, or that it is untrue?

[Krol] I mean, we have very good contacts with PSL, and we have for a long time. Generally, the peasant movement is a movement that cannot support reforms done by [former Finance Minister] Balcerowicz because it has paid for that dearly, and farmers are paying for the economic reform very fast, or for its negative consequences. They are capitalists . . .

[Woyciechowski, interrupting] So you confirm the rumor, which is no longer a rumor, that KPN will go one way with PSL.

[Krol] I confirm the rumor about PSL. But regarding BBWR, there is a question as to what it really is going to be, because I admit that the attitude of KPN toward BBWR will be different if it has for instance Marcin Przybylowicz of Center Accord in its ranks . . .

[Woyciechowski, interrupting] So then that will not be a good thing? Or will it be?

[Krol] I mean, and if Mr. Aleksander Gawronik, an independent businessman will be there, the attitude will be different.

[Woyciechowski] So you mean: Przybylowicz—yes, Gawronik—no.

[Krol] I mean, we certainly like former activists of the Center Accord more than Mr.Gawronik, and we are getting anxious over the fact that BBWR is attracting people who have gone through five, six, or seven parties. They began with PZPR [Polish United Workers Party] and now . . . I am not saying it is like following a downward path, but a party in which all of the existing parties come together is simply not a good party.

[Woyciechowski] However, what will happen after the elections? You still have not answered the question whether there is a possibility that in the future Parliament, the KPN, PSL, and BBWR will try to achieve something together. Is this possible?

[Krol] Yes, it is. However, it is not possible if, first, the BBWR is [pauses] Well, the BBWR is a non-party bloc supporting reforms; in the division that Prime Minister Suchocka has proposed, the KPN is an antireform party, so we are not really likely to...

[Woyciechowski, interrupting] Why do you admit that you are a reformatory [as heard] party. It does not sound elegant. Everyone is proreform in Poland.

[Krol] I do not think so. I have accepted the division proposed by Prime Minister Suchocka. She said that opposition in Poland is against the state. Therefore, I have become accustomed to it, because similar ideas were expressed much earlier. Out of politeness toward the prime minister, I used her phrase. However, the KPN has a different vision of reforms. It certainly is not a vision of Prime Minister Suchocka, Mr. Geremek, or Mr. Mazowiecki. It is a different vision. If they believe that their vision is the only one that is correct, well, then we are against reforms.

[Woyciechowski] Let us come back to the situation that will develop in the Sejm after the election. As a matter of

fact, it is easy to imagine the situation today. We know election opinion polls; even though they vary in details, they do present the situation that will most probably be seen after the election. What parties can the KPN cooperate with, if it is neither the PSL nor the BBWR? Can you exclude any other coalitions? Or are there any coalitions that you think you may form?

[Krol] We can certainly exclude two parties that the KPN does not intend to form a coalition with; they are the SLD [Democratic Left Alliance] and the liberals. However, a very...

[Woyciechowski, interrupting] I would also add another one: today's press carries a statement by ZChN [Christian-National Union] leaders, who said that the ZChN would certainly not agree with the KPN.

[Krol] I believe that the ZChN is a serious party and that if its politicians manage to get Sejm seats, they will change their mind. The ZChN is going to extraordinary lengths to make an impression... [pauses] It is trying to surmount the 5-percent barrier. I really sympathize with the parties that are not sure whether they will manage to obtain seats in Parliament...

[Woyciechowski] The KPN is sure?

[Krol] For the last two years we have not had less than 7.9 percent of support. Everything seems to indicate that we will enter the Parliament. There is also another factor that may influence the final election results: voters will not want to waste their ballots and will vote according to the rule: he who is bigger can do more. This means that even if someone hesitates over which centrist-rightist party to support...

[Woyciechowski, interrupting] Then he will avoid the parties that may not cross the threshold?

[Krol] He will avoid the parties that might...

[Woyciechowski, interrupting] This will force voters to focus their attention on bigger parties. Now, let us come back to what we have been trying to talk about all along. If a coalition of the PSL and KPN were possible, who would be prime minister: [PSL leader Waldemar] Pawlak or [KPN leader Leszek] Moczulski?

[Krol] This depends on the election result. I think that the prime minister might be a third person. Poland has already had prime ministers who were second-, third-, or even fourth-rate politicians. However, there is one major factor: it depends on the election result. It is difficult to predict. The KPN will work hard to achieve a fairly good election result. It seems that we can achieve a result in the vicinity of 15 or even 20 percent. This means that we would have 150 or 200 deputies in the future Parliament. Just like before, we will try to achieve a situation where we have a real influence on the government, where we can say that we do not only have a nice or good program, but we can also implement it. Now, all questions such as who will be the prime minister, who will be the minister of national defense, or who will be the minister of foreign affairs, are really less important than the main task of each political party: implementing its program.

[Woyciechowski] What will you be in the future government?

[Krol] Well, I can say that I hope that after the election I will be able to get enough sleep. This is it. Now, I think that I have a have a temperament suitable for the Parliament rather than for the government. In five or 10 years' time I may change my mind. However, for the time being I really feel best working in the Parliament.

[Woyciechowski] Do you think that the election campaign in Poland has already begun? Is the election campaign already going on, or are we still waiting for it? Do you think it will start one day and we will see lots of posters, lots of television programs, demonstrations and meetings, and we will feel that something is beginning in Poland? Or will the situation be just like it is now?

[Krol] I believe that the campaign will be quieter than the previous one...

[Woyciechowski, interrupting] Why, do you think? Is it because the people are tired, or the politicians are tired?

[Krol] Both the people and politicians are already tired. Apart from that, I do not think there will be any great demonstrations; and there will certainly not be demonstrations of all political parties. I must say that it is also difficult for the KPN to organize election meetings, because we have to be responsible for the entire Sejm and the entire political class. The criticism of the people is enormous. I sometimes have to apologize for the liberals; the arguments that there are differences between political parties often do not get across. Apart from that, I cannot imagine any demonstrations organized by the UD [Democratic Union], the liberals, or the ZChN. Now, another thing. I think that the campaign will really get going in September.

[Woyciechowski] It will start in September, and therefore, it will not be long. Now, there are so many different parties. Could you tell us exactly why should anyone vote for the KPN? Is there one clear and simple argument? Why should we vote for the KPN?

[Krol] First of all because it is a party that does not change its program; it is consistent, and certainly noone will have to be ashamed that he or she voted for it and it did not implement its program. This is one thing. Another...

[Woyciechowski, interrupting] Was this an allusion to any parties that change their minds?

[Krol] No, it was not. Everyone knows such parties. This is one thing. Another argument is that the KPN is a party that can be effective; this means that if it prepares something, it will implement it until the end. Third, it is a party that is an alternative to what is happening now, that is, it has a different economic program, a different

social program, and a different concept of the Polish state. These seem better and more attractive.

[Woyciechowski] Will you run in the election in Warsaw?

[Krol] Yes, I will.

[Woyciechowski] Who is your rival? Who may obtain more votes in Warsaw? What are the great Warsaw names that will compete with you?

[Krol] Warsaw is a prestigious constituency. Therefore, all the leaders will run here: [Center Accord leader Jaroslaw] Kaczynski, [Coalition for the Republic leader Jan] Olszewski, [Democratic Union member Bronislaw] Geremek, [Democratic Union member] Jacek Kuron, [Congress of Liberal Democrats leader] Jan Krzysztof Bielecki. I think that only Hanna Suchocka and Tadeusz Mazowiecki will run elsewhere. Therefore, Warsaw is a very...

[Woyciechowski, interrupting] Well, then, why are you running in Warsaw if it is so difficult to get through?

[Krol] First, because it is my constituency. Second, in the previous election my result in Warsaw was not bad at all; that is, I obtained twice as many votes as Zbigniew Bujak, and 5,000 fewer than Professor Geremek. I hope that this time I will obtain more votes than the professor. Anyway, I think that my previous result—30,000 votes—was really not bad.

[Woyciechowski] Thank you very much.

Democratic Union Presents Agricultural Policy

AU0308155993 Warsaw ZYCIE WARSZAWY in Polish 2 Aug 93 p 4

["R.K."-signed report: "The Agricultural Side"]

[Text] On behalf of the Democratic Union [UD], Maria Stolzman, agricultural adviser to Prime Minister Suchocka, presented a program for agriculture and rural areas.

The program lays down the following priorities in agricultural policy: the development of family-ruin farms, utilization of land and assets left over from the old state farms, creation of new jobs in rural areas (mainly in services and food processing), and the development of the social infrastructure of rural areas (for example, the construction of more schools).

The UD's suggested methods of protecting Polish agriculture include the establishment of minimum prices for produce. However, the degree of state intervention in agricultural matters would be kept to a minimum so as not to disrupt market principles.

The UD also proposes the privatization of rural facilities. Farmers should obtain free or reduced-price shares in the enterprises that process their products, as a result of which these enterprises would acquire de facto owners, and the State Treasury would be rid of the burden of subsidizing them.

Maria Stolzman claims that Polish agriculture has already passed through the worst stage of the transformations. There are bigger chances of obtaining credits now, and greater funds are available from the state budget for creating new jobs and developing the technical infrastructure in rural areas.

Several UD parliamentary candidates were presented. Being rural residents, they will form an agricultural lobby in the new Sejm and Senate. They include Stolzman, who will compete for a Sejm seat in the Kielce voivodship.

Clinton Assures Walesa of Support for Reforms

LD0308190193 Warsaw PAP in English 1843 GMT 3 Aug 93

[Text] Warsaw, Aug. 3—President Bill Clinton has addressed a letter to President Lech Walesa in which he assured the latter of the U.S. support for Polish reforms.

Poland is showing the way for the countries of central and Eastern Europe in their efforts to form democratic societies, governed by the free market rules. The courage and determination with which Poland has been implementing its aims serves as an example for all countries of the region, Clinton wrote.

Miners Continue Strike, Want Negotiations

AU0308140493 Bucharest Radio Romania Network in Romanian 1000 GMT 3 Aug 93

[Text] The Petrosani miners, like those in Anina, (?Banat), and (?Seda) basin, continue their strike. Laboratory assistants are not working either.

At the headquarters of the Petrosani pitcoal public corporation, Miron Cosma [leader of the Miners' Trade Union Confederation of Romania] gave a news conference for reporters reporting on the strike. He pointed out the more important points during the negotiations on the collective labor contract and showed that certain documents had been signed and initialed by government representatives, something he regarded as an inconsistency, thus artificially launching the current labor conflict.

The news conference began with a presentation of the prices of certain agricultural produce and foodstuffs, a possible justification for the high wages demanded by the miners, and then continued to answer reporters' questions, but not many, because the trade union leader interrupted the news conference saying that he was awaiting a telephone call from the prime minister's office.

Our correspondent informed us of a new communique of the Miners' Trade Union Confederation and the Jiu Valley Trade Union League to Prime Minister Vacaroiu. This document is signed by Miron Cosma and Ilie (?Dorsan).

Here is the text: We request that a government commission go to Petrosani to examine together with the administration of the public corporation and the trade unions opportunities for introducing the demanded wage scale into the budget of this corporation. This is the main demand of the Jiu Valley miners.

In response, the government rejects negotiations in Petrosani, thus showing unjustified (?fear). Moreover, through the mass media it gives the impression that the miners' wages would increase inflation, destabilizing Romania economically, a country already destabilized by others.

We want to repeat that, for the time being, the miners demand that a delegation come to Petrosani and start a dialogue. We are convinced that correct negotiations will effectively ease the work conflict.

We rely on the understanding of the decisionmakers within the government and hope there is a genuine desire of the sides to overcome this conflict. We expect the arrival of the government delegation in the course of today with a mandate to examine and meet our demands.

Vacaroiu Rejects Miners' Claims

AU0308140593 Bucharest ROMPRES in English 1150 GMT 3 Aug 93

[Text] Bucharest ROMPRES 3/8/1993—"The government will by no means give way (to claims), because every extra money means a theft from the citizen's pocket," Premier Nicolae Vacaroiu told CRONICA ROMANA in connection with the latest developments in the government's relationships with the Jiu Valley League of Miners' Unions that called a general strike Monday, 2 August. Asked whether he was willing to comply with the miners request that he should go there, the prime minister said: "In no way. Not because I am afraid, as some suspect, but because I cannot offer them more than already settled." He reminded that at the negotiations the miners had in July at Petrosani with ministers Misu Negritoiu (reform coordinator) and Dan Mircea Popescu (labour and welfare), the two ministers minutely accounted for every penny allocated from the budget for technological up-dating, production costs and wages, but "the union leaders took the entire amount as earmarked for wages and informed their mates accordingly."

Mr. Vacaroiu termed the new wage claims of the miners as "no invitation to negotiations, but a dictate by force of wage levels much above the possibilities of a convalescent economy, as ours is at present." At a time when "the entire population is struggling hard," the premier deems that "the miners unions of the Jiu Valley are trying to get unmerited advantages."

The chief of the Romanian executive showed that "over the first six months of 1993 a slight growth of production raised the all-nation real average salary to 65 percent of the 1989 individual earnings. In industry it is 71 percent, and with public servants somewhere between 45 and 55 percent. Well, miners claim wages standing at 130 percent of their 1989 earnings all while the production is 30-40 percent below the same year of reference, which is absolutely preposterous."

Political Leaders Invited to Jiu Valley

AU0308172193 Bucharest ROMPRES in English 1424 GMT 3 Aug 93

[Text] Bucharest ROMPRES, 3/8/1993—The Miners Union Confederation and the League of the Jiu Valley Basin Miners Unions have invited leaders of political parties and trade unions to go to the Jiu Valley "to get informed in detail about the miners problems," in order to avoid "disinformation." "Even if they do not agree with the miners they will subsequently abstain from making fulminant ungrounded statements in the press and on television," says a communique sent to "ROMPRES" for release.

"For the correct information of political leaders and unions we mention that the salaries proposed by us do not exceed the financial funds of the Pitcoal Corporation at Petrosani. The miners' salaries do not affect other

professional categories. Otherwise the miners would lower their claims." The communique specifies that the strike is "peaceful, organised, under the unions' control."

Vacaroiu, Cosma Discuss Demands

AU0308171993 Bucharest ROMPRES in English 1502 GMT 3 Aug 93

[All quotation marks as received]

[Text] Bucharest ROMPRES, 3/8/1993—Romanian Premier Nicolae Vacaroiu spoke on the phone for 45 minutes Tuesday, August 3, with the miners' leader Miron Cosma. The prime minister told the press that "they (the miners) insist on salary increases that, in my opinion, are totally unacceptable. These increases would be at the disadvantage of the rest of the population. As I have already said, we took into account on July 29, when we had talks in Bucharest, that the Jiu Valley miners' work is difficult. We fixed an average salary while respecting a ratio existing before the negotiations. If we accept higher salaries, we have to use for the miners' pay money earmarked for other categories."

Premier Vacaroiu mentioned that the sum allotted to the mining sector stood indeed at 91 billion lei, but it was not intended uniquely for salary increases. Better work conditions, supply of materials, spare parts, the building of galleries were also in view, added the prime minister. "No government, this one or one to come, cannot take the responsibility to repeat the mistakes made in 1990 and 1993 concerning salaries."

Premier Vacaroiu asked once again that the administration council of the Pitcoal Corporation of Petrosani come to Bucharest. "The government is open to dialogue, but on realistic bases. I think all well-intended people understand the situation and agree with me," added Romania's prime minister.

Miners Hold Rally

AU0308183493 Bucharest ROMPRES in English 1705 GMT 3 Aug 93

[Text] Bucharest ROMPRES, 3/8/1993—On the 2nd day of their strike, the Jiu Valley basin miners held a rally, attended by 2,000 persons. Leader Miron Cosma read out a letter addressed by the miners' unions to Prime Minister Nicolae Vacaroiu, claiming that a government delegation go to Petrosani, where the Pitcoal Corporation is based, and start talks with the miners' representatives. The strikers are sure that correct negotiations would ease the conflict, added the letter.

Union leader Miron Cosma told the strikers that he had spoken on the phone with Premier Vacaroiu. After consultations with the strikers, the decision was made that neither union leaders nor the leaders of the Pitcoal Corporation go to Bucharest. Another decision made in Petrosani is that the 46,200 miners will continue the strike.

Funar Fails To Mediate

AU0308201793 Bucharest Radio Romania Network in Romanian 1900 GMT 3 Aug 93

[Text] This evening, Mr. Gheorghe Funar, president of the Romanian National Unity Party [PUNR], who arrived in Petrosani, Jiu Valley, in an attempt to mediate in the mining labor conflict there, had several telephone talks with Prime Minister Nicolae Vacaroiu. The prime minister of the government reiterated the position of the executive power, as presented both in the recent governmental communique and in the various statements made in the last few days, our correspondent Silvia Ilies reports.

In his turn, Mr. Gheorghe Funar told the miners that his talks with the prime minister aimed at arranging a meeting in Petrosani, tomorrow, between the government representatives and the representatives of the striking miners have failed. According to our correspondent, Mr. Gheorghe Funar said, quote, I proposed several solutions, but I received no favorable answer.

Government Issues Communique

AU0308201893 Bucharest Radio Romania Network in Romanian 1900 GMT 3 Aug 93

[Text] We are now presenting a communique received this evening from the government's press bureau:

In response to radio statements made by Mr. Miron Cosma [president of the Miners' Trade Union Confederation of Romania], which blame the government for the situation in Jiu Valley, we state the following:

1. Accepting a gross monthly average salary of 268,000 lei, as requested as the trade union leader, at a time when the nationwide monthly average salary is 70,000 lei, would really amount to a display of lack of responsibility from the government.

2. We want to emphasize that this situation was a desperate last resort undertaken by leader Miron Cosma, who is solely responsible for the actions taken there and who has made promises without any backing.

3. We reiterate that the proposed gross average salary of 166,000 lei reflects the difficult working conditions of the Jiu Valley miners and takes into consideration the existing rations before the negotiation of collective labor contracts.

Once again, we express the conviction that the Jiu Valley miners will understand the kind of situation they were pushed into and will show lucidity and realism, by resuming their activity.

This was a communique received from the government's press bureau.

Trade Union Leader on Consequences of IMF Delay

AU0308102093 Bucharest TINERETUL LIBER in Romanian 29 Jul 93 p 3

[Liana Buligan report on statement made by Miron Mitrea, executive president of the Fratia Trade Union Confederation: "The Intention To Isolate Romania Comes From Inside the Country"]

[Text] "The postponement to September of negotiations with the IMF is a very serious thing and will have disastrous repercussions for our country even if a feasible solution will be found, because we will lose the contract with UCD [expansion not known] and our credibility vis-a-vis foreign investors. During the meetings we had with IMF representatives we did all we could and were ready to accept a government solution considering the tremendous importance for Romania of this stand-by accord. Unfortunately, however, I think that the government intentionally 'made a mistake,' knowing that by isolating the country it will be able to govern it in a much more authoritarian and in a sort of nondemocratic way. I believe that the intention to isolate Romania comes from inside the country and is generated by the desire of certain politicians to apply neocommunist governing alternatives. The consequences of this political action, about which I do not want to talk at this point, will be extremely great. Social tension that is going to reach its height in the coming fall, will become explosive in the winter given the social costs and meager domestic budgetary funds. In my opinion, the failure of IMF negotiations is the worst political signal in the past three years."

Labor Ministry Reports 1,035,382 Unemployed

AU0308151993 Bucharest ROMPRES in English 1306 GMT 3 Aug 93

[Text] Bucharest ROMPRES 3/8/1993—The number of the unemployed as registered at 12 July 1993 stood at 1,035,382, of whom 623,000 (60.2 percent) are females. Of these 526,678 are recipients of unemployment benefits, while other 426,704 are on a subsistence allowance scheme. Applying for a job with labour exchanges are 82,000 persons who do not meet the requirements for the status of jobless. Of the overall figure, 86.9 percent have a vocational training, 10.5 percent have high school training and 1.6 percent academic schooling, mostly engineers. Of the registered jobless, 52.9 are under 30 years of age, 5.1 are aged between 50 and 55, and 3.2 percent over 55. Classified by the sector that made them redundant, 75 percent are the outcome of partial shutdowns and 25 percent are fresh school graduates or youths who have completed their military service and found no place to work.

Unemployment rate is 9.3, down from 9.5 in April, and 9.6 in March. Constantin Alecu, director general in the Ministry of Labour and Welfare told TRIBUNA ECONOMICA weekly that by the end of the year the rate of unemployment shall not exceed 10 percent, although about 100,000 persons will lose the right to the benefit after the expiry of the six months they are entitled to it, other 200,000 will be made redundant and a fresh batch of 100,000-150,000 school graduates will flood the labour market.

For the social protection of the unemployed and for their reintegration, Mr. Alecu shows, legislative and organizational measures were taken in 1992 and 1993, such as the extension of the unemployment benefit from 180 to 270 days, the augmentation of the companies' share in the creation of the unemployment fund from 4 to 5 percent, the granting of a subsistence allowance for a period up to 18 months with the possibility of training or reconversion, as well as incentives for the companies to hire fresh graduates.

The network of labour exchanges was extended and has now 161 offices. Besides, training and reconversion courses are being given in special centres and state companies. About 56,000 unemployed are now taking them in over 150 trades in demand on the labour market. However, only 25 percent of the graduates managed to find a place. This makes some of them refuse to attend a course unless a job is guaranteed upon completion of the course.

Press Speculates on Ukrainian Military Maneuvers

AU0308152093 Bucharest ROMPRES in English 1230 GMT 3 Aug 93

[Text] Bucharest ROMPRES 3/8/1993—The news about Ukrainian military manoeuvres triggered speculations in the Romanian press about the real purpose of the drill and the interests Russia and the Ukraine have in this area.

In an article informing of the visit to Bucharest of the ministers of defence of Russia, Bulgaria and Hungary, TINERETUL LIBER comments that the "visits are not without connection with the recent contacts between the chiefs of staff of Russia and Romania." The paper evokes the visit not long ago of Romanian Army's Chief of Staff Lieutenant-Colonel Dumitru Cioflina to Moscow where he gave assurances that no NATO bases would be deployed on Romanian territory, a fact of a nature to disquiet Moscow.

"Once the item clarified," the daily writes, "the only thing left for Moscow would be to settle strategically the problem of the Ukraine. Alliances with Romania and Bulgaria would secure not only the continuity of Russia's military influence in the former Soviet sphere (...) but it would also catch the Ukraine in a grip that would force its hand." Probably it is not incidental, the paper says, that the Ostankino television network, which broadcasts for the Commonwealth of Independent States (CIS) stated in a commentary that the next military operations of the Ukraine would be the Ukrainian "strategists' arrows" pointed to Bucharest.

The commentary—disavowed in Kiev circles—is alleged as an attempt by Moscow to insinuate a note of suspicions in the Kiev-Bucharest relations and to make it appear as necessary for Romania to tighten its ties with Russia, TINERETUL LIBER says.

"The Ukraine is trying to intimidate us," ROMANIA LIBERA writes. And further comments the news of the Ostankino broadcast: "the Moscow commentator's assessment is right, though incomplete, because any tough accent, any show of force displayed by the Ukraine concern Romania or Poland and, to an equal degree, Russia mostly. The Ukraine is now in the despicable posture of having to impose on the world its own interpretation of the post-war territorial appropriations, which apparently came to it ready-made. In real fact, the expansionist projects were never abandoned by Ukrainian politicians even in the darkest Stalinist age."

The Ukraine, ROMANIA LIBERA says, is the greatest beneficiary of the most hateful pact of the century, the Ribbentrop-Molotov Pact. Besides, thanks to Khrushchev, who presented Kiev with the gift of Crimea in the 50's, the Ukraine is now possessing one more territory that had never been its own. It is obvious, the paper writes, "that Ukraine's military manoeuvres pursue to intimidate Romania and in no case to prevent an invasion by the Romanian Army (...) economic crises have always generated expansionism as an outlet (...) and the Ukraine is facing now such a period of extreme crisis."

Foreign Media Bulletin: Balkan Crisis 4 August

WA0408180093

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian President Izetbegovic continues to boycott peace talks ... Bosnian Serb commander claims to have captured Mount Igman ... Bosnian Presidency orders Muslim forces to cease attacks on Croats in central Bosnia ... Croats claim death toll from reported massacre reaches 32 ... UNPROFOR commander says Croats blocking humanitarian aid for Sarajevo.

DIPLOMATIC

IZETBEGOVIC CONTINUES BOYCOTT (Belgrade Radio): Bosnian President Izetbegovic continues to boycott Bosnian peace talks in Geneva in protest over Serbian offensive around Sarajevo. Spokesman for international mediators Owen and Stoltenberg calls boycott "a serious problem," says "no progress" can be made without Izetbegovic. (AU0408140793)

MILITARY

SERBS CAPTURE MOUNT IGMAN (AFP): Bosnian Serb commander Mladic claims to have captured Mount Igman overlooking Sarajevo, effectively cutting off the Muslim forces' only remaining arms route in the region. Following a Muslim threat to walk out of the Bosnian peace talks, the Serbs had agreed to give UN forces control of Mount Bjelasnica, a recently-captured peak directly adjacent to Igman. (AU0408153293)

DEATH TOLL OF MASSACRE RISES (AFP): Bosnian Croat forces claim that 32 Croats were killed in a reported "massacre" by Muslim troops in Jablanica. AFP says Croatian media reports of the massacre "has prompted calls" in Croatia for the expulsion of all Muslim refugees. (AU0408082893)

BOSNIAN ARMY ORDERS CEASE-FIRE (Sarajevo Radio): Bosnian Army Commander Delic orders Muslim forces to cease attack on Bosnian Croat forces in central Bosnia after three Croatian members of Bosnian Presidency protest against the attacks by withdrawing from Presidency's delegation at peace talks. Delic warns commanders that if they do not obey the order they will be "relieved of duty." (LD0308223293)

HUMANITARIAN AID

UN COMMANDER: CROATS BLOCKING AID (TANJUG): UNPROFOR Commander Cot reported by TANJUG to have accused Bosnian Croat forces of blocking humanitarian aid from entering Sarajevo, calls blockade "unforgivable." (LD0408153993)

Izetbegovic Urges UN, EC Intervention Against Serbs

LD0308222793 Belgrade TANJUG in English 2207 GMT 3 Aug 93

[Text] Belgrade, August 3 (TANJUG)—Bosnian Moslem leader Alija Izetbegovic called Tuesday on the U.N. and the E.C. to undertake urgent action against the military of the Bosnian Serbs.

As reported by foreign agencies, Izetbegovic sent a letter to U.N. Secretary-General Butrus Butrus-Ghali and E.C. President Willy Claes demanding these international institutions undertake "urgent and necessary action to terminate and reverse" Serb gains and alleviate disastrous suffering of his people.

Izetbegovic, however, did not ask for measures to be taken against Bosnian Croats, with whom Bosnian Moslems have in the past months clashed heavily for territories, nor against Croatia, whose regular troops, as claimed also by Moslem authorities, were participating in the fighting on the side of Bosnian Croats.

Izetbegovic said the pro-Moslem Bosnian presidency, encouraged by the NATO decision to carry out preparations for possible air strikes on the positions of Bosnian Serbs, decided to remain for the Geneva talks.

The Bosnia-Herzegovina presidency virtually represents only Bosnian Moslems as its Croatian members walked out Tuesday, and it had no legitimately elected Serb representatives.

In the letter Izetbegovic says he faced at the Geneva talks "diktats and ultimatums" to accept the peace agreement on the basis of the situation in the field in Bosnia. This remark, as interpreted in Geneva, was aimed at co-chairmen of the conference on former Yugoslavia Owen and Stoltenberg.

Diplomats in Geneva pointed out that the Bosnian Moslem leader and his radical aides believe that the NATO threat to carry out air strikes was addressed to the Bosnian Serbs, while co-chairmen Owen and Stoltenberg see in the NATO decision a warning for all three sides in the conflict.

Izetbegovic talked with U.S. special envoy to the Geneva talks Reginald Bartholomew after his letter was made public.

Karadzic on Consequences of NATO Air Strikes

LD0308155493 London BBC Television Network in English 0700 GMT 3 Aug 93

[Telephone interview with Radovan Karadzic, Bosnian Serb leader, by announcer Nicholas Witchell; Karadzic in Geneva, Witchell in studio; from the "Breakfast News" program—live]

[Text] [Witchell] Joining us from Geneva is the leader of the Bosnian Serbs, Dr Radovan Karadzic. Dr Karadzic, good morning.

[Karadzic] Good morning.

[Witchell] Will you now ease, or end the siege of Sarajevo?

[Karadzic] Well we can't ease or end siege of Sarajevo because we don't keep siege of Sarajevo, and this is complete lack of knowledge with NATO. Sarajevo belongs to the Serbs too, two-fifths of Sarajevo belongs to the Serbs and three-fifths to the Muslims. If we leave our areas, then Serbs in Serbian part of city will be killed and all our houses will be burned down.

[Witchell] Well, Dr Karadzic we seem to be in the usual situation, in which you dispute what the rest of the world understands to be the case. Let's put the question another way. Will you and your military forces now withdraw from around Sarajevo?

[Karadzic] Well, if we withdraw then you will have to send somebody to save Serbian villages and Serbian suburbs in city of Sarajevo. There's a problem, that this is the knowledge of basic fact, we are protecting our own homes, that happen to be around Sarajevo.

[Witchell] So you seem to be saying that there can be no question of Bosnian Serb forces easing the situation around Sarajevo?

[Karadzic] We are very ready to ease the situation around Sarajevo, and any humanitarian, and not only humanitarian but economic convoy can get through our Serbian lines easily. What I can suggest is to encourage Muslims to go on with agreement, almost we have agreed how Sarajevo is to be rearranged, we will have two neighboring cities and not divided city.

[Witchell] Dr Karadzic, what will happen to this conflict if NATO aircraft do mount air strikes?

[Karadzic] Well, nobody can predict what would happen after possible air strikes, because we will (?rule) our own unit fight command, and people would defend themselves as they know, and there would more and more fight between the warring factions, and foreigners would come under the hostile attitude of all three sides, and the war would escalate and spread further.

[Witchell] You say the war would spread and foreigners would come under hostile attack, do you mean that the British and French and Spanish forces would be attacked by Serbian forces?

[Karadzic] Not only by Serbian forces, we would never give that kind of order, but let me tell you, the commander would be terrible fear, not people, and fear would command that all foreigners may come the hostile attacks of all sides, not only UN people, but Red Cross, and High Commission for refugees, and simply that would be a chaos and nobody could handle this chaos any longer.

[Witchell] Dr Karadzic, thank you for speaking to us.

Says Muslims 'Don't Know What They Want'

LD0308173093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1549 GMT 3 Aug 93

[Text] Novi Sad, 3 Aug (TANJUG)—Radovan Karadzic, president of the Srpska republic, stressed in a statement to Novi Sad Radio today that the assistance and presence of Milosevic, Bulatovic, and Tudjman at the Geneva talks is important for the sake of the Muslims as well, because a union of the republics of Bosnia-Herzegovina certainly cannot survive if it does not maintain good relations with Serbia and Croatia.

Karadzic recalled that it was agreed in Geneva to invite Milosevic, Bulatovic, and Tudjman to help out in the talks again if the need arises.

"It seems as if Izetbegovic cannot perceive and appreciate the importance of neighbors—Yugoslavia and Croatia—while on the other hand, he is totally incapable of comprehending what the international community wants," Karadzic said.

According to him, Izetbegovic's calculations are wrong and the price for this is being paid primarily by the Muslim population, and then by the Serbs and Croats.

We are making certain concessions, Karadzic emphasized, while the Muslim side would wish to control the entire territory of Bosnia-Herzegovina.

"They are not proposing any maps of their own, just suspiciously eyeing the other parties' maps without daring to say what they want. They simply don't know what they want, that is, what they really want is unattainable because nobody will give it to them, and this is where the problem lies," the president of the Srpska republic stressed.

Warns of 'Chaos'

TA0308131693 Jerusalem Qol Yisra'el in Hebrew 1205 GMT 3 Aug 93

[Report on a telephone interview with Radovan Karadzic, member of the Bosnia-Herzegovina Presidency, "in his hotel in Geneva," by Dan Eshel—recorded; passages by Eshel in Hebrew, passages by Karadzic in English]

[Excerpts] [Eshel] Last night in Brussels, NATO decided to give the Serbs a second chance, calling on them to let go of their hold on the Sarajevo suburbs and other besieged cities in Bosnia. If they do not, NATO warned, they will be exposed to allied forces' air raids. [passage omitted]

I contacted the leader of the Serbs, Radovan Karadzic, and asked him for his comment. He maintained that the NATO resolution indicates that it lacks basic information about the situation in the field.

[Karadzic] We do not keep siege on Sarajevo. We just protect our own suburbs in Sarajevo, and those suburbs happen to be around the Muslim quarters of the city. So, we cannot leave our people without protection, otherwise they will be killed and their homes would be destroyed. We are just in the middle of talks to reorganize the big city of Sarajevo into two neighboring cities. And the Muslims now do not have to negotiate because they are encouraged by NATO that NATO would come and help them to establish a Muslim *jamahiriyah* [republic].

[Eshel] What would happen if, as you say, NATO continues misunderstanding the situation and launches air strikes against you?

[Karadzic] If that happened, then God help all of us because we probably would lose unified command and control, and there would be retaliation of all kinds, and all three warring factions would fight most savagely, and all foreigners—UN High Commission for Refugees, Red Cross, and the others—would be endangered, and there would be no commander. That would be total chaos.

Presidency Hopes To Persuade Croat Members To Return

LD0308145893 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 3 Aug 93

[Excerpt] The remaining members of the Bosnia-Herzegovina Presidency are hoping to persuade three Croat members who have left the Presidency and have joined a delegation of the Croatian Community of Herzeg Bosna to return. That was not a good decision, Bosnia-Herzegovina Presidency member Fikret Abdic said. The Presidency is to hold a session this afternoon, and I am hoping that they are going to return after that, Abdic said. [passage omitted]

Foreign Minister Silajdzic Interviewed

NC0408065993 Cairo Voice of the Arabs in Arabic 0510 GMT 4 Aug 93

[Telephone interview with Bosnian Foreign Minister Haris Silajdzic, in Geneva, by correspondent Fawzi al-Jundi, in Cairo, carried within the "Dialogue from Afar" program; date not given—recorded]

[Text] [al-Jundi] Brothers, the tragedy of Bosnia-Herzegovina needs a final solution. Can the partition of Bosnia into three republics—Serbian, Croatian, and Muslim—be regarded as a final solution? And what is being proposed at the Geneva negotiating table among the warring parties? We are now talking from Cairo with Bosnian Foreign Minister Haris Silajdzic in Geneva. We start by welcoming him.

[Silajdzic] Hello.

[al-Jundi] What is now being proposed to you in the negotiations with the Serb and Croatian sides. What are the results?

[Silajdzic] Regrettably, we have reached no major results, because the solutions before us are imposed on the basis of the use of force, ethnic cleansing, and so on. The regime in Belgrade rejects any talks based on any solution other than solutions imposed by force. We have agreed in principle to a particular solution as a compromise, hoping that these conditions and dictates will end. Regrettably, the proposed

solutions remain based on the consequences of the use of force in Bosnia-Herzegovina and mass expulsions and killings in the country.

[al-Jundi] Minister, do you believe the partition of Bosnia into three republics will constitute a final solution for this crisis or is there a need to study other ways?

[Silajdzic] This solution is regrettably imposed on us. Unfortunately, the international community supports no other solution. We, the government of Bosnia-Herzegovina, tried to place other solutions on the negotiating table, but they were all rejected. Why? Because the other side is stronger. It has tanks, equipment, and strength. Unfortunately, this solution is being imposed on us. But our stance is that the Republic of Bosnia-Herzegovina is a state with continuing membership of the United Nations. This will mean the restoration of the internal administration in Bosnia.

[al-Jundi] Is this your concept of the final shape of things?

[Silajdzic] We insist that Bosnia-Herzegovina is a state and a UN member state.

[al-Jundi] This means we can say that the Muslim side now finally approves partition?

[Silajdzic] There is no Muslim side. This is the government of Bosnia-Herzegovina. It represents the people of Bosnia-Herzegovina. The fact is there is an enemy that is attacking, is powerful, and is imposing solutions. We are trying to find the appropriate solutions, final solutions that will end the war and tragedy in Bosnia-Herzegovina. But, as we said, the proposed solutions are regrettably those based on force alone.

[al-Jundi] What, in your view, is the final solution?

[Silajdzic] We have proposed the federal solution as the final one, that is, each party having the required independence and no moral or religious values being imposed on any party involved in these talks. But, regrettably, the issue is that of territories and the Belgrade regime's expansion in Bosnia-Herzegovina. It is a question of force. Arms sanctions have been imposed on Bosnia-Herzegovina. A solution based on the use of force is now being imposed on us. We have been prevented from defending ourselves, while the enemy has been given the opportunity to act as he wants in Bosnia-Herzegovina.

We are discussing reality. The reality is regrettable, because it is based on force. So, we have asked the UN secretary general and the Belgian foreign minister, who chairs the EC, that the principles of the UN Charter and the principles of the London conference should be respected. These do not refer to faits accomplis, but to principles—human, moral, and state sovereignty principles, etc. We asked them that the Serb attacks against Bosnia-Herzegovina should end, because particular conditions must exist for negotiations. We cannot negotiate while attacks are taking place. We asked the UN secretary general and the Belgian foreign minister that particular conditions, which we have agreed upon—such as a cease-fire and restoring the water, electricity, and gas supplies to the cities, particularly Sarajevo—should exist. None of these conditions have been implemented. This is the position in the field. At the negotiating table, solutions, as I said, are being imposed by force. We have asked the international community and those who represent it that respect for the basic principles should be restored.

[al-Jundi] Minister, there is a strong inclination by the United States and U.S. President Bill Clinton and by NATO to launch air strikes against the Serb positions to end the siege of Sarajevo. As a Bosnian official, how doowthis move, especially as it comes too late?

[Silajdzic] It is indeed too late. But we still think this step is positive and will save three things: human life, the negotiations, and the credibility of the international community. How will it save the negotiations? We think that continuing these negotiations is fruitless while attacks continue. But after this move by the United States and NATO, we think there is a chance—albeit late—for the international community to intervene positively. This will introduce positive factors and elements of justice to these negotiations. This is why we said that instead of withdrawing from the negotiations, we will stay, because the world community has embarked on the right course, albeit late.

[al-Jundi] Minister, thank you very much.

[Silajdzic] I am pleased to talk to you. I have an emergency meeting and must leave you now.

UNPROFOR Says Serbs Poised To Capture Mt Igman

AU0408082793 Paris AFP in English 2153 GMT 3 Aug 93

[Text] Sarajevo, Aug 3 (AFP)—Serb forces were poised Tuesday to capture the strategic Mount Igman overlooking the Bosnian capital, U.N. and concurring sources here said.

The Serbs have launched a three-pronged offensive against Mount Igman after capturing the adjacent Mount Bjelanica on Sunday, said Barry Frewer, spokesman for the United Nations Protection Force.

According to Bakir Izetbegovic, the son of President Alija Izetbegovic, the "Serbs are rolling from Bjelanica to Igman. They have taken the two hotels we were using on Igman to defend ourselves. We don't have any ammunitions. We are worried it will fall soon."

A member of the Bosnian army first army general staff, responsible for defending Sarajevo said Tuesday night that the Serbs "have captured part of Igman and have seized two hotels dating from the 1984 winter Olympic Games".

If Serb forces seized control of the peaks, the Bosnian army positions on Mount Igman will rapidly become untenable, observers here said.

Mount Igman is one of last gateways to the besieged capital and allows small quantities of arms to be smuggled at night to the troops defending the city.

Serbs Consolidating Positions

AU0408111793 Paris AFP in English 1045 GMT 4 Aug 93

[Text] Sarajevo, Aug 4 (AFP)—Bosnian Serbs who have seized control of part of Mount Igman overlooking the Bosnian capital Sarajevo, are consolidating their position on the strategic height, U.N. and Bosnian officials said Wednesday.

A spokesman for the U.N. Protection Force [UNPROFOR] in former Yugoslavia, commander Barry Frewer, said that "it's been calm on Igman since midnight," adding that sporadic gunfire "suggests that it's time for consolidation in the area at this time."

The Serbs on Tuesday seized control of part of Mount Igman from the mainly Moslem Bosnian army.

A spokesman for the mostly Moslem Bosnian army, Mohammed Zlatan Hrenovica, told AFP Wednesday that "the situation is critical on Igman" and that the Serbs "are continually gaining ground."

But he said that the Bosnian army continued to hold part of the road running along the summit, which has been under attack by the Serb forces, as well as "several solid defence lines."

The loss of Mount Igman, which overlooks the south-western part of the Bosnian capital, would be disastrous for the Bosnian army as it is the only remaining route along which arms and ammunition can be brought to the Bosnian soldiers through Serb lines.

Bosnian President Alija Izetbegovic is boycotting the Geneva negotiations on Bosnia because of the continuing Serb attacks on Mount Igman.

The Serbs launched a three-pronged offensive on Mount Igman after capturing the adjacent Mount Bjelanica on Sunday.

UNPROFOR Arrives on Mt Bjelasnica

LD0408074493 Belgrade TANJUG Domestic Service in Serbo-Croatian 0721 GMT 4 Aug 93

[Text] Belgrade, 4 Aug (TANJUG)—UN Protection Forces [UNPROFOR] have arrived on Mt. Bjelasnica, Major-General Manojlo Milovanovic, the chief of general staff of the army of the Srpska republic, has told SRNA.

UNPROFOR members were welcomed and briefed about the current situation on Mt. Bjelasnica by commander of the army of the Srpska republic Lieutenant Colonel-General Ratko Mladic.

After the latest Muslim offensive in the Sarajevo battle-zone had been crushed this strategically important mountain was taken by the Serb forces.

Surface-to-Surface Missiles Fired at Tesanj

AU0408110393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 4 Aug 93

[The Seven South Operative Group Press Center report from Tesanj]

[Text] During the last 24 hours the aggressor has used all his means of mass destruction against civilians and residential areas, most of which have been banned by international conventions. The destructive Luna surface-to-surface missiles were used against Tesanj yesterday, and the last two projectiles alone, fired at 1100 [0900 GMT] and 1130 killed five and wounded several dozen people. Three children were among those killed. That was the 32d missile fired at Tesanj.

Entire residential areas disappeared in the general inferno, flames, and smoke as, during the last 24 hours, the heaviest artillery shells from several directions literally pounded the city center without a break. During this period alone, and the shelling continued throughout the night, over 1,000 artillery and tank projectiles landed on Tesanj, (?Miranovci), Kalosevic, Planje, Mrkotic, (?Jelas), and (?Tesanjka).

As for the Maglaj free territory, the aggressor went wild against the town and the defense lines, shelling them throughout yesterday. The chemical agent, tear gas, was also used. The aim of the aggressor is to annihilate the cities of Maglaj and Tesanj, and cause as many civilian victims as possible. That is why the aggressor has over 200 artillery pieces of all calibers and several dozen tanks on his positions facing the free territory in the zone of responsibility of the Seven South Operative Group. However, he is not managing to jeopardize our defense lines, which remain firm and stable.

Several infantry and tank attacks were repelled yesterday in the region of Ulicnjak and (?Krsno Polje) on the Maglaj front, and Crni Vrh and Komine on the Tesanj front. Attacks are under way as we report.

Muslims Report 'No Sign' of Improvement on Front

AU0308194193

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 3 August carries the following reports from various fronts:

Zvornik Press Center reports that "a combined tank and infantry attack on our defense lines" took place this morning. After the attack was thwarted, "the aggressor started shelling the free territory with long-range artillery," the dispatch says. Allegedly "all available artillery potentials" were used in the attacks, including 155-mm howitzers from (?Mt. Gubcevo) in the FRY, which pounded the civilian areas in (?Sapna). The report also notices "further reinforcements arriving from the direction of Loznica." "The shelling of the free Zvornik territory continued in the

early afternoon hours," the dispatch says, adding that "a new attack on the eastern lines of defense" started at 1300 GMT.

The correspondent from Tuzla, Salih Brkic, reports that the defense lines and (?Tuzlici), Horvatici, (?Rajnici), and Kalesija came under attack "early this morning." The attacks were carried out by "chetnik artillery from the direction of Osmaci" and were followed by "a chetnik infantry attack, which the defenders of Kalesija successfully withstood." The correspondent reports that Gradina in the Zivinice commune also came under attack from the "chetniks from (?Lukic)." In Lukavac, Brkic continues, "the chetniks" pounded Gric with mortars and recoiless guns.

A report by the Brcko Press Center says that "enemy infantry have been active along the entire front." The dispatch also mentions "the activity of small-caliber mortars and snipers." "120-mm mortars have been pounding Omerbegovaca and Vranovaca since 1545 [1345 GMT]," he says, adding that the shelling of Lukavac also continued in the afternoon. The dispatch says that "there is no sign of the situation on the Brcko front abating," despite the Geneva talks. The report also speaks of "the constant regrouping of enemy forces on the first lines of the front."

Quoting a report from the Third Operative Group, the studio announcer says that "the enemy continued with the provocations in the zone under the responsibility of this group and shelled Kladanj on two occasions." As the report states, provocations also continued on the Gorazde front. The announcer then says that the Gradacac Information Service has reported that the cease-fire was being observed in that area.

A correspondent from Gornji Vakuf whose name is indistinct in a largely indistinct dispatch says that "the Croatian Defense Council and the Croatian Army are continuing to attack the positions of the Bosnia-Herzegovina Army" in the area.

Muslims Reportedly Massacre 32 Near Jablanica

AU0408082893 Paris AFP in English 2206 GMT 3 Aug 93

[Text] Zagreb, Aug 3 (AFP)—Moslem forces massacred 32 Bosnian Croats in a village near Jablanica in central Bosnia last week, the Croatian HINA news agency said Tuesday.

The report said 32 bodies had been recovered from the village of Doljan - ten more than the 22 dead announced by Bosnian Croat forces on Sunday.

HINA said the bodies had been taken to Tomislavgrad in southern Herzegovina for a post mortem to be supervised by the International Committee of the Red Cross.

The dead included 19 members of the HVO Bosnian Croat militia, the report said.

The massacre reported in gory detail by Croatian media has prompted calls here for the expulsion of all Moslems from Croatia.

Last week Croatian police detained more than 1,000 people at a camp for mainly Moslem Bosnian refugees at Spansko. A total of 469 face deportation for "subversive activities", according to police.

Bosnian Army Orders End to Clashes With HVO

LD0308223293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2200 GMT 3 Aug 93

[Text] On the basis of an order on an unconditional cease-fire between units of the Bosnia-Herzegovina Army and the Croatian Defense Forces [HVO], issued at a session of the Bosnia-Herzegovina Presidency held in Geneva, Rasim Delic, chief of the general staff of the Bosnia-Herzegovina Army, has issued an order to all Bosnia-Herzegovina Army Corps' to immediately and unconditionally end all clashes with the HVO and establish contacts with respective HVO commands in order to reach an agreement on the necessary steps to implement this order.

Those commanders who do not respect this order will be relieved of their duties and adequate measures will be taken against them.

HVO Scores Success in Zavidovici, Zepce

LD0308142193 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 3 Aug 93

[Text] Muslims have suffered huge losses at the Zavidovici and Zepce battlefield. Croatian Defense Council [HVO] fighters of the Marko Pranjic brigade regained Dubrovacka Glavica, the most important point at the approaches to Zavidovici.

At Zepce battlefield, Muslim forces are still attacking the village of Gornja Paparatnica, Bistrica, and Ljeskovica. Yesterday they opened fire on a column of 100 Muslim civilians which the Zepce HVO let go to Zenica at their own request. Six people were killed while the others had to go back to Zepce.

Republic of Srpska Economists Meet

93BA1272D Banja Luka GLAS SRPSKI in Serbo-Croatian 20 Jun 93 p 6

[Article by A. Anusic: "A Vacuum in the Economic System"]

[Text] Banja Luka, 19 Jun—A two-day conference of economists of the republic of Srpska [RS] concerning economic and political developments today and in the future in the republic of Srpska, organized by the Institute for Economic Development of the republic of Srpska under the sponsorship of the RS Government, began its deliberations today in the headquarters of the Regional Economic Chamber in Banja Luka.

Dr. Vitomir Popovic, deputy prime minister for domestic policy, and Petra Markovic, finance minister in the government, addressed participants in today's conference, the first of its kind in the republic of Srpska, because Dr. Vladimir Lukic, RS prime minister, who was supposed to make the introductory address, was prevented from coming to Banja Luka because of his participation in the proceedings of an extraordinary meeting of the RS parliament in Zvornik.

After welcoming those in attendance, Dr. Vitomir Popovic, deputy prime minister, spoke in favor of establishing a market economy and privatization as the main directions and objectives of development, but gradually and cautiously, because in his opinion these innovations in development of the economy and business would not mean anything by themselves and in and of themselves. Recalling that the republic of Srpska has all the necessary natural and economic resources, but that to a certain degree, it has trouble with quality personnel (because they have suddenly departed from this region), Dr. Popovic emphasized that at this moment what is most needed is creation of the foundations of the scientific basis of development of the economy and business and repairing the effects of the war.

Minister Petra Markovic called upon the prestigious economists to help in the urgent and effective elimination of all the defects in the credit, monetary, and tax system. On behalf of the host, Svetoslav Mudrenovic, president of the Regional Economic Chamber, welcomed the participants in today's economic conference on behalf of the host, proposing that this conference become traditional and be held in Banja Luka every year. In welcoming those present on behalf of Banja Luka University, Dr. Dragoljub Mirjanic, rector and professor, expressed the need to create a highly educated potential in the republic of Srpska.

Among the moderators of today's conference, the participants were first addressed by Dr. Milorad Zakic, professor in the School of Economics at Banja Luka University. Speaking about the vacuum in the economic system in the republic of Srpska, the prestigious professor judged that it is necessary "in this second and new halftime" for economic development to go "hand in hand with social and cultural development of society." Professor Zakic put the question of how in this time economic development could be "switched to the war track," and at the same time work done on developing the economy and business life of the republic on an up-to-date basis. That is why he felt the need to define the question and the concept of the subsistence minimum under the wartime conditions in which we find ourselves, and in that connection he favored establishment of soup kitchens and public works.

Dr. Mladen Ivanic, professor, insisted on the creation of conceptual approaches to development of the economy and business identical to those in the present-day Western world. Conditions in development of business and the economy of the republic of Srpska have associated it with the introduction of "war communism," that is, the presence of "the post-October syndrome." Speaking about the nationalization and privatization of public property, Dr. Aleksa Milojevic, professor, said that in the Western world these two processes are "taking place very nicely." Professor Milojevic sees good progress in state ownership, and he believes that the process of privatization can take place without control of the government.

There is no transformation of social ownership, but of capital, Dr. Miodrag Zec, a professor visiting from Belgrade, said at the outset of his paper. He then said that privatization in the republic of Srpska is going at such a pace as to escape the oversight of the RS government itself, that capital and personnel are leaving this region at a dizzying pace, which will have a very tragic effect for the economy and business of the republic of Srpska. Dr. Rajko Tomas judged that the first thing that is needed is to define the political system of the state and create an appropriate economic development accordingly. In Dr. Tomas' opinion, nationalization of social property will not solve the major and difficult problems of economic and business life in the republic. Dr. Rajko Tomas took issue with the paper of Dr. Aleksa Milojevic, professor, disputing many of his arguments as to nationalization and privatization of social ownership, making the objection that they are based on the old outdated socialist concept of economic development.

Other participants in today's conference were Borivoje Sendic, M.A., minister of agriculture and forestry, and Vojin Mrdja, Mara Kresojevic of the Economics Institute in Banja Luka, and Dr. Vlado Djurasovic. The conference will continue this afternoon and will resume tomorrow, when specific proposals will crystallize for solving the problems with economic and business in our republic.

Special UN Mandate for Croatia Requested

LD0108195193 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 1 Aug 93

[Text] Croatian Foreign Minister Mate Granic's office has distributed the text of a letter sent to the UN secretary general by the Croatian permanent mission to the UN and signed by Croatian Ambassador Mario Nobilo, in connection with Croatia's request for the current UNPROFOR [United Nations Protection Force] mandate to be separated.

Nobilo proposes in the letter that the UN operation in Croatia be given a new name as the first step in separating the mandate of the UN peacekeeping forces into three independent mandates for Croatia, Bosnia-Herzegovina, and Macedonia.

This new name would make it clear that the UN peacekeeping forces are deployed in the Republic of Croatia. Furthermore, the civilian sector should be separated from the current unified operation through the creation of an independent bureau for civilian tasks, which would also include the head of civilian affairs, who would be competent only for Croatia.

Further assessments, revisions of the UN mandate for Croatia, appropriate resolutions, and Security Council statements should reflect this separate mandate for Croatia, and they should be valid only for that mandate and should not include mandates for the Republics of Bosnia-Herzegovina and Macedonia.

An agreement on the status of UN forces to be signed by the United Nations and the Croatian Government should only be valid for the territory of the Republic of Croatia within its international borders.

Nobilo said in the letter that the Croatian Government believed that these steps would make it easier for the UN mandate to be implemented in Croatia. We fully understand financial and operative problems facing UNPROFOR.

In connection with this, Croatia is ready to cooperate with the UN, but I must underline once more the political and legal importance of the mentioned measures, the letter of the Croatian permanent mission to the United Nations says.

Krajina Insists on Withdrawal of Croatian Forces

LD0308163493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1530 GMT 3 Aug 93

[Text] Knin, 3 Aug (TANJUG)—Croatian President Tudjman's latest threats and his statement that the Erdut agreement is "past tense" demonstrate that Croatia has never regarded this agreement as valid and that war was and remains the Croatian regime's true option, the government of the republic of Serbian Krajina says in its statement.

The Krajina government discussed in Knin today the current situation regarding the implementation of the Erdut agreement and Croatia's latest stands and intentions.

In its statement following today's session, the government points out Croatia's delay in honoring its obligations under this agreement. This proves, the statement says, that the Zagreb regime uses its alleged commitment to peace only in its diplomatic activities in an attempt to buy time and avert sanctions by the international community.

Under the Erdut agreement of 16 July, Croatia must withdraw from all the territories occupied in the course of its aggression on 21 June last year and 22 January this year and surrender them to the peace force.

At the insistence of top-ranking UN Protection Force [UNPROFOR] officials, the republic of Serbian Krajina has on three occasions extended its deadline for the Croatian army's withdrawal from its occupied territories and now time is running out for the latest deadline, at midnight tonight.

Meanwhile, the Serbian side has carried out a warning operation and destroyed the Maslenica bridge which was constructed and opened with its approval provided Croatia withdrew from the bridge.

Although the Croatian side accepted a new deadline for its withdrawal following this operation, Croatian President Tudjman told the press today that "as far as he is concerned the Erdut agreement is a matter of the past."

Tudjman also said that Croatia is going to repair the bridge and that it "will secure its integrity by all means."

The government of the republic of Serbian Krajina stresses that it is still willing to accept a political solution although Croatia's conduct has demonstrated that there is no "serious partner for negotiations on the other side."

At the same time, the government of the republic of Serbian Krajina reiterates that "it will defend by all means the will of the Serbian people expressed in their referendum and in the three-year war against the ustasha regime in Zagreb," adding that "there is nothing new about these threats coming from Zagreb."

RSK Government Says War Croatia's Real Option

LD0308202693 Belgrade TANJUG in English 2007 GMT 3 Aug 93

["Pool" item]

[Text] Knin, Zagreb, August 3 (TANJUG)—Threats and the latest statement by Croatia's President Franjo Tudjman show that Croatia has never taken heed of the Erdut Accord on the withdrawal of its troops from the republic of Serb Krajina (RSK) and that Croatia's real option was that of war, the RSK government said on Tuesday.

The government commented on Tudjman's Tuesday statement that "the Erdut Accord belonged to the past," and said that Croatia had been stalling the enforcement of the

accord, trying to buy time and avert international sanctions by advocating peace and political negotiations.

Croatia and the RSK on July 16 reached an agreement on the withdrawal of the Croatian Army from the territories near the Maslenica Bridge, Zemunik Airport, Peruca hydro-electric power plant and Miljevac Plateau, which the Croatian Army occupied in the aggressions in June 1992 and January 1993, although the RSK had been a U.N.-Protected Area (UNPA). According to the agreement, the territories are to be controlled by the U.N. Protection Force (UNPROFOR) and the RSK allowed Croatia to open to traffic the Maslenica Bridge and Zemunik Airport.

The U.N. Security Council on Friday ordered Croatia to withdraw troops as scheduled by July 31, and when it failed to do so, UNPROFOR insisted that the RSK should extend the deadline twice. The final deadline is midnight August 3.

In the meantime, the Serb side carried out a warning action and damaged the pontoon Maslenica Bridge.

Although Croatia had initially accepted the final deadline for the withdrawal, Tudjman on Tuesday told a news conference in Zagreb that he did not want to talk about a withdrawal of the Croatian Forces any longer. He said Croatia would repair the Maslenica Bridge and "ensure Croatia's integrity by all means."

"From now on, we shall demand from UNPROFOR and the Serbs to implement Security Council Resolution 769 pertaining to the control of Croatia's state borders, so that the Serbs in the UNPA could not get weapons and equipment from abroad," Tudjman said.

The RSK government said on Tuesday that it still opted for a peaceful political solution, but reiterated that it would "defend by all means the will of the Serbian people expressed in the referendum and during the three-year-old war against the ustashi regime in Zagreb."

Serbs, living in those Croatian areas where they outnumber other nations, had voted at a referendum to proclaim their republic of Serb Krajina (RSK), disapproving of secession from the former Yugoslavia and of their civil and national rights to be reduced by the Croatian authorities.

Vollebaek Meets Krajina Officials, Discusses Accord

LD0308195393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1915 GMT 3 Aug 93

[text] Knin, 3 Aug (TANJUG)—Knut Vollebaek, one of the cosignatories of the Erdut agreement, assistant to the cochairmen of the Geneva Conference on Former Yugoslavia, arrived in Knin this evening for talks with the civilian and military authorities of Krajina. According to him, he arrived directly from New York.

Asked to comment on Croatian President Franjo Tudjman's statement that the Erdut agreement belongs to the past, Vollebaek replied: "The Erdut agreement is in no way a matter of the past. On the contrary, it still exists. We will insist on its implementation, as envisaged."

This evening's talks between Vollebaek and the Krajina delegation, headed by Prime Minister Djordje Bjegovic, started four hours before the expiration of the new deadline for the withdrawal of Croatian forces from the occupied regions of Krajina.

Optimistic Following Meeting

LD0308222293 Belgrade TANJUG Domestic Service in Serbo-Croatian 2057 GMT 3 Aug 93

[Text] Knin, 3 Aug (TANJUG)—Following this evening's talks with the civil and military authorities in Knin, Knut Vollebaek, the deputy cochairman of the Geneva conference on former Yugoslavia, expressed his optimism regarding the implementation of the Erdut agreement.

Vollebaek repeated the standpoint he mentioned before this evening's round of talks, saying that as far as the UN is concerned, the Erdut agreement is still valid.

Vollebaek said that his talks with the Krajina delegation, consisting of Prime Minister Djordje Bjegovic and General Mile Novakovic, chief of the general staff of the Serbian Army in Krajina, with their associates, were "fruitful and successful." The talks will be resumed at 1000.

Asked if we are closer to peace or to war, Vollebaek replied: "I think that we are on the road to peace."

Croatian, British Foreign Ministers Hold Talks

LD0308185693 Zagreb HTV Television in Serbo-Croatian 1730 GMT 3 Aug 93

[Text] [Announcer] Dr. Mate Granic, Croatian deputy prime minister and foreign minister, and Douglas Hurd, his British counterpart and host, discussed a number of bilateral issues in London today. A brief report for Croatian Television by Mirjana Rakic:

[Rakic] A useful and necessary talk: This would be the assessment in a nutshell of the meeting between Croatian Foreign Minister Mate Granic and the head of the Foreign Office. This was the first meeting between the two diplomats, both of them very experienced in the matters discussed: the crisis in former Yugoslavia, more precisely, the events in Croatia and Bosnia- Herzegovina.

Following the talks, the British foreign secretary declined to comment on what was said. Hurd seems to be perplexed by certain facts, the Croatian minister declared. This primarily applies to figures in the case of Bosnia-Herzegovina, and these figures are more than clear: 200,000 Croats in Bosnia-Herzegovina have been expelled by the Serbs, 120,000 by the Muslims, and 190,000 are still besieged in four enclaves. At the same time, Granic pointed to everything Croatia is doing on the humanitarian plane, including the refuge it has given to hundreds

of thousands of people regardless of their nationality. The Makarska agreement confirms the determination to persevere in this respect.

As far as the events in Croatia are concerned, the discussion focused on the extension of the UN forces' mandate and the integration of the UN Protected Area zones into the constitutional, judicial, and economic system of Croatia. The Erdut agreement, Mate Granic underlined, attests to the fact that Croatia is endeavoring to resolve problems in a peaceful way.

Hurd said that the international community will invest efforts aimed at reaching a peaceful resolution to the problems in Croatia and, in regard to Bosnia-Herzegovina, declaring that Croatia's principles have been accepted, he added that the situation in the field will be monitored and that the next 10 days will be decisive.

Generally speaking, a negotiated settlement must be reached in Geneva, and London expects Croatia's further cooperation in this regard.

Rifkind To Meet With Susak

LD0408094293 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 4 Aug 93

[Text] British Defense Secretary Malcolm Rifkind and Douglas Hogg, state minister at the Foreign Office, arrived in Zagreb this morning. In a statement at Zagreb airport Defense Secretary Rifkind said that he expected important talks with his Croatian counterpart, Gojko Susak.

He also expressed his gratitude to the Croatian Government for having allowed the British UNPROFOR [UN Protection Force] troops to use Split airport and Divulje naval base for their logistic base.

Asked whether he will discuss NATO aircraft actions in Bosnia-Herzegovina with Minister Susak, Defense Secretary Rifkind replied that many important issues both for Great Britain and Croatia will be discussed and that he was expecting to hear Croatian views on these. Following the talks with Susak, Defense Secretary Rifkind is to leave Croatia, while Douglas Hogg, state minister at the Foreign Office is to stay in Zagreb until tomorrow.

Radic Holds Talks With Ashdown

LD0308213693 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 3 Aug 93

[Text] Dr. Jure Radic, head of the office of the president of the republic, has received Paddy Ashdown, member of the British Parliament and leader of the Liberal Democratic Party. The two men discussed Croatia's views on ways to resolve the crisis in Bosnia-Herzegovina and the future of the UN Protection Force's mandate in Bosnia-Herzegovina and in Croatia.

The guest from Great Britain voiced support for Croatia's stands regarding the search for a basis on which a lasting peace can be established in Bosnia-Herzegovina and expressed the hope that the Geneva talks will result in a settlement acceptable to all three sides.

Granic, Mazowiecki Exchange Letters on Refugees

LD0308162993 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 3 Aug 93

[Text] Tadeusz Mazowiecki, UN special envoy for human rights in former Yugoslavia, sent a letter yesterday to Croatian Foreign Minister Dr. Mate Granic in which he expresses concern about reports that Bosnian refugees are allegedly being expelled from Croatia and deported back to Bosnia-Herzegovina.

In his reply, Minister Granic stressed that this is not a case of expulsion but of routine supervision of the movement of foreign nationals in Croatia.

Tadeusz Mazowiecki writes: I recently received disturbing reports that Bosnian refugees are being expelled from Croatia and deported to Bosnia-Herzegovina. As I have been informed, these activities are being carried out throughout the Republic of Croatia. This gives rise to profound concern, since such persecution represents a serious violation of internationally accepted principles governing human rights, especially principles according to which refugees should not be returned to the country they have left. The tragic fate of over 2 million displaced and expelled persons on the territory of former Yugoslavia is known all too well. I am perfectly aware that your country is coping with numerous difficulties but that it still manages to provide the necessary protection and aid to these people. I hope that your government will continue to extend humanitarian aid to all refugees on your territory and take all the necessary measures to prevent further expulsions, Tadeusz Mazowiecki's letter to the foreign minister of the Republic of Croatia says.

In reply to this letter, Dr. Mate Granic informed the special envoy for former Yugoslavia that the actions carried out on the entire territory of the Republic of Croatia on 29 July were part of routine supervisory activities aimed at preventing illegal aliens from residing in Croatia. These actions are being carried out on a monthly basis and are in complete conformity with international law. In the course of the action you refer to in your letter, many individuals without refugee status were discovered. Nevertheless, a procedure for them to acquire such status was immediately initiated. A considerable number of persons without refugee status, and who do not meet the necessary conditions for granting such status, were also discovered in the above-mentioned action, Dr. Granic informed Tadeusz Mazowiecki.

In his letter, the Croatian foreign minister enclosed a copy of the Law on Foreigners of the Republic of Croatia.

Agreement on Repair of Peruca Dam Signed

LD0108110993 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 1 Aug 93

[Text] An agreement on the repair of the Peruca dam—the most important hydroelectric power generator in Dalmatia, which was seriously damaged by the chetniks on 28 January—was signed in Split this morning.

The agreement was signed on behalf of the investors by the Damir Begovic, director general of Croatia's power industry, and, on behalf of the contractor, by Josip Kuzmanic, acting director of the Konstruktor-Inzenjering [construction company] of Split.

The extensive and dangerous works in the tunnels beneath the dam—constructed in 1960—will take 12 to 13 months to complete.

The works on the repair of the Peruca dam will be inaugurated today by Dr. Jure Radic, head of the Office of the President of the Republic of Croatia.

Reconstruction of Dam Begins

LD0108220593 Zagreb Radio Croatia Network in English 2105 GMT 1 Aug 93

[Text] Work on the improvements at the Peruca dam, which was damaged by Serbian mines six months ago, began today. The dam could be reconstructed in 13 months at a cost of some thirteen and a half million German Marks.

Krsko Nuclear Power Plant Operating Normally

LD2307170193 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 23 Jul 93

[Excerpt] A news conference was held at the Economy Ministry today at which the public was informed about the operation, maintenance, and environmental policies of the Krsko nuclear power plant.

Reporters were told that all the established and evaluated environmental damage caused by the Krsko plant's radioactive emissions is within the norms prescribed by the law. [passage omitted]

Hadzic Denies Seselj's 'Smuggling' Charges

AU3007153393 Belgrade BORBA in Serbo-Croatian 24-25 Jul 93 p 7

[Interview with Goran Hadzic, leader of the Krajina Serbs, by Branislav Gulan in Erdut and Dalj; date not given: "As Soon as Tudjman Negotiates—I Will, Too!"]

[Text] "We want to talk with the Croats as neighbors. That is why we helped them to open Maslenica Bridge and [Zadar's] Zemunik Airport. They know what they have to do in return by the end of the month. If they do not respect the agreement, the bridge will be in the sea again! Then let Tudjman explain to the Dalmatians why they are cut off from central Croatia," Goran Hadzic, president of the republic of Serbian Krajina, said.

"Even before the war began, our people had decided to expel the checker board [the Croatian flag] from the Serbian lands. We have succeeded in this and that is why we do not now want to do any kind of deal over the territories. Our state will be recognized by the world and I will be its president only until then. Let someone else be the president after that."

The BORBA journalist talked with Hadzic in Erdut, in a modest office without a secretary but protected by personal bodyguards. The second, informal part of the interview took place in a private cafe in Dalj over fish stew and grilled perch. The president drove the official car himself between the two locations, teasing the journalist by asking: "Have you ever been driven by a president of a state before?"

During lunch, his bodyguards sat at a neighboring table and the guests were joined by Bora, nicknamed Vrlja [Cross Eyes], who is a well-known fighter in this region, a member of the first government, and minister for culture, as well as by Djordje Vujko, who had escaped execution in Sarvas....

In this atmosphere, BORBA asked Hadzic: Is policy being conducted without you because it has been announced that Babic and [Rade] Leskovac will be going to Geneva?

[Hadzic] This was announced by assembly president Mile Paspalj. There can be no discussion on this because it is known who conducts policy in a state and that is the president. The constitution is clear. I was prevented from going to some meetings and that is why I have not been in the news, but I decided who would go and negotiate. We do this depending on the level of negotiator that is sent by the opposing side.

[Gulan] We have learned that many strings concerning the destiny of the Serbian people in the republic of Serbian Krajina are being pulled without you. Allegedly, this recently emerged from talks with Slobodan Milosevic, president of Serbia, when [EC mediator Thorvald] Stoltenberg was present. You were asked to leave during part of the discussion. Demands are increasingly being heard from some parties and their leaders for you to step down because of the policy that you are conducting.

[Hadzic] That is part of the propaganda and policy that is being conducted against me. However, this is also the price of the post that I hold. It is true that I recently had talks with Slobodan Milosevic when Stoltenberg was present too, but I left early because of obligations that I had in Baranja. Never before then had one decision been made without my knowledge. After all, decisions about the republic of Serbian Krajina are not made in Serbia, our motherland, but we create our own destiny ourselves.

[Gulan] There has been war profiteering in the republic of Serbian Krajina and trials have been announced even for the most senior officials. Even your name is being connected in the media to war profiteering. Dr. Vojislav Seselj, president of the Serbian Radical Party, has accused you in the last few days. What truth is there to all this?

[Hadzic] Every war, even this one, produces war profiteers. Accounts will be settled with them. Neither the most insignificant nor those in the most senior posts will be spared. When Mile Paspalj announced that accounts will be settled with those in the most senior posts too, I do not believe that he meant me, since I am not a war profiteer. There were accusations from those who are conducting a campaign against me to the effect that I, for example, have been smuggling wood or oil. A document about the sale of wood exists and I signed it. However, when Croatia carried out its aggression in January, our army was poorly dressed and so we sold logs to buy uniforms. If this was smuggling, then this is state smuggling and not smuggling for my own benefit. I am saying that there is smuggling every day in this area, from Banija, Kordun, and Cazin as far as Baranja, and this involves several hundred thousand German marks. However, this is a job for the police and the judiciary. The profiteers must answer before the law for everything that it is established that they did. Individuals smuggle but I cannot say that collective smuggling does not exist. Food, weapons, and oil are being smuggled. When it comes to the imputations against me as president, I am aware that it goes on, but by people who are struggling for power now that the war in this region is over. From the first day I was on the front lines and in the trenches, while those who are now demanding my resignation were smuggling alcohol, and now they want to come to power and supposedly fight for the good of the Serbian people.

I therefore took on this job. The aim is for us to create a Serbian state, and this already exists and is even partially recognized because, you see, the Croats are now talking to us. Tudjman used to say that we are only the Serbian population, and now he says "the Serbs from Knin." So there are difficulties, but they are not of the kind that worry me. Nor am I considering resigning. Once all this ends, I will return to my former business. In the last two and a half years of war we have achieved everything that we promised the people. This was that it would be their state, that their flag would fly, that their laws would apply. As you see, the checker board is not flying anywhere here.

[Gulan] It has been said that you and some leaders who were once in your "team"—Veljko Dzakula, Dusan Ecimovic, and others from western Slavonia—went for talks with Tudjman. Is it true that this happened when Serbia was being rocked [by student protests] on 9 March 1991?

[Hadzic] This is being said by those who think badly of the republic of Serbian Krajina. It is true that we went to Zagreb for talks with Tudjman on 10 March in this expanded team. I was present only physically. I said only "Hello" and "Goodbye." We had already made the decision then to separate Slavonia, Baranja, and western Srem—so there was no longer any need to talk with him. Otherwise, talks are constantly going on even today by those who are in favor of cohabitation with the Croats, and these are people who were at those talks then too. However, these are no longer political personalities and they can only do this secretly and as individuals. The people have said what they think. Before the beginning of the armed struggle I thought that we would achieve our aims without calling the people to arms, but when I saw that this was not possible we embarked on a military struggle, which we won.

[Gulan] Elections should have been held in the republic of Serbian Krajina last year. The war postponed them. Are you afraid of the elections and is that why you have not rescheduled them?

[Hadzic] Elections were scheduled and they should have been held in March but a state of war was proclaimed in January which has not been lifted yet. Therefore, there can be no talk about me preventing the elections. If the Croats respect the latest agreements, we will lift the state of war and immediately hold the elections. It is thought that this will be at the end of the summer or early autumn. The results of the elections will be the best confirmation of how we have performed. Our aim is now to activate our economic potential and this is the task of the government. There are still vacant posts in the government and a minister for defense and minister for information need to be found most urgently. As regards the latter, at a meeting in Petrinja everything was ready to allocate this post to the Radical Party, but their candidate refused the post and hurled a whole string of accusations at me—without any proof.

[Gulan] The Erdut agreement, which was signed with the Croats, indicates, apart from their obligation to withdraw to territories that they held before the aggression, that there will be an exchange of some areas. What will happen if this agreement is not respected?

[Hadzic] We do not believe the Croats regarding anything. However, we hope that under pressure from the international community they will have to do this. If they do not withdraw, it is known that we will destroy the bridge. This means war again. But we are prepared even for this. In the military and political sense, we are even better prepared than Tudjman because the Croatian people are fed up with war. No one will bring up a son only to send him to war again against the Serbs. Tudjman is weakest in this respect—and if he does not want an uprising on his own territory, he will have to respect all the agreements. After all, he is now in another position in the world and he is even being threatened from this quarter. Otherwise, we negotiate with Croatia as equal partners. This means that when Tudjman sits down at the negotiating table I will be on the other side. Otherwise, our delegations will do this. I must also add that, for the good of the Serbian people, I would even negotiate with the "devil himself," as Professor Raskovic put it. I proposed to the Croats as early as last year that we come to an agreement on the construction of the bridge, which we will be using, too. However, they took this as aggression. I reached this kind of decision because I wanted to help the innocent Croatian people after we divided Croatia. Of course we expect compensation for this kind of decision. A bridge over the Drava River is also being considered. This has not yet been finally resolved because it would split Osijek into two parts so they would then have to "take" a part of Osijek too. Perhaps the compensation will be somewhere on the other

side. If we do not agree on this, we will build a bridge ourselves over the Drava between Sarvas and Bijelo Brdo.

[Gulan] How many Serbs are still in Croatia and do you still maintain links with them?

[Hadzic] Around 500,000 people live in the republic of Serbian Krajina today. Thanks to Slavonia, Baranja, and western Srem we have enough food and oil resources for everyone. Therefore, we have all the conditions for normal life. As for the Serbs who have remained in Croatia, these are Serbs or rather the former leadership of the Communist Party, of which there are very few. The other Serbs who live in Croatia are Serbian fascists who support Tudjman. They are loyal to his authority and it is best that they remain there. An example of the former is Dusan Dragosavac, and of the latter Milan Djukic. There are a total of 50,000 such Serbs in Croatia. We do not need to cooperate with such so-called Serbs. As for the Croats in the republic of Serbian Krajina, I do not know their number but few stayed here.

[Gulan] You have broken with some close associates. Why?

[Hadzic] The difference was obvious, for example, with some Serbs from western Slavonia. An example is Veljko Dzakula, who sometimes secretly negotiates with the Croats. He was in the government but our concepts of the struggle were different from the beginning. He and his supporters are no longer any kind of political force. They wanted to go for cohabitation with the Croats and we wanted to be neighbors only. When it comes to Zdravko Zecevic, a former government member, he is an honest Serb, but at one point he could not find a solution. For us, cohabitation with the Croats is treachery. We will never agree to this even if a new war begins.

[Gulan] The referendum on uniting with the republic of Srpska was successful. When will you implement this?

[Hadzic] We are ready. This was demonstrated at the referendum too. The people of the republic of Serbian Krajina and I decided that when what was decided at the referendum comes to life the president will be Dr. Radovan Karadzic [leader of the Bosnian Serbs]. I have to say that I did not embark on this struggle in order to be president, but life imposed this on me. Our aim is well known, and this is a unified Serbian state regardless of where its capital will be. I want to move freely around the Serbian lands. I therefore say to all those who, for personal, characteristic reasons, now want to come out on the political scene, while during the war they were somewhere in Serbia or at the coast—that I have never done deals over Krajina and never will.

[Gulan] How do you respond to accusations that you are leading the republic of Serbian Krajina but live in Novi Sad, that you have enrolled for your third year of study in Subotica, and that you take holidays on Sveti Stefan?

[Hadzic] All this comes from the Croatian kitchen or from Serbs who are not Serbs. Until the war began I lived in Pacetin with my wife and two children and this was the frontline. I moved them to Novi Sad, into an apartment belonging to the Executive Council but this leaked and we are now living at a friend's, a businessman. I have been on the territory of the republic of Serbian Krajina the whole time. My parents even today have an old house in that village. I sold my car, a Zastava 128, for 5,000 German marks and I am now investing this money in renovating this old house. If I won the lottery, I would buy an apartment. As for university, before the war I satisfied the requirements to enroll in the third year at the Department of Economics in Osijek. Last year, on the basis of these examinations, I enrolled at Subotica. However, after Dr. Koviljko Lovre, federal minister for agriculture, once drunkenly said that I had enrolled at this faculty because I am president and I could use my connections to graduate, I decided not to go to Subotica. I did not take a single examination. As far as Sveti Stefan goes, I was a guest of a friend, a businessman.

[Box, p 7]

It Is Not Robbery—It Is Patriotism!

In response to a question as to whether Seselj's accusations are true, Goran Hadzic said:

"They are true but it is a question of distortion and everything has been wrongly presented. I used my authority and private connections to obtain oil so that the tanks would not come to a halt in the republic of Serbian Krajina. This amounted to 1,060,000 liters. Therefore this is not any kind of abuse but patriotism. Moreover, the people who gave the oil did not do this out of their own interest but to help the Serbs in their struggle to create a state. There are more Serbs like these. It is also true that there was misconduct as regards fuel in Knin and the surrounding area, but this was done by individuals who will answer for this before the law. The borrowed fuel has not yet been returned to the people who gave it to us when we most needed it. Therefore, I have put nothing in my own pocket!"

[Box, p 7]

Milosevic—Interpreter

In the republic of Serbian Krajina it is known who does what. Recently, when it was necessary to talk with Stoltenberg in Belgrade I decided that Mile Paspalj, president of the assembly, and Slobodan Jarcevic, minister of foreign affairs, should conduct the talks. The talks took place in Belgrade at Slobodan Milosevic's house, the president of the Republic, who virtually participated in them as an interpreter. I have to say that the president of Serbia has never done anything or even talked about the republic of Serbian Krajina without consulting me as the president, Hadzic says.

In Slavonia, Baranja, and western Srem, people close to Hadzic say that he will govern for ever. It is stressed in particular that for them any attack on Goran Hadzic (from Seselj) is in fact an attack on Slobodan Milosevic.

Text of Tudjman Monthly News Conference

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["Regular monthly" news conference given by Croatian President Franjo Tudjman in Zagreb—live]

[Text] [Zeljko Rajic, Croatian television] Mister President, for several months Maslenica has been the first question raised at every news conference. Today, too, let us have Maslenica as the first question. The cease-fire agreement, which was to come into effect today at 2400 [2200 GMT], was violated by the Serbs, who fired shells at the Maslenica pontoon bridge and Zemunik airport. Can you comment on the next steps of Croatia's official policy, i.e., what will it do?

[Tudjman] You are probably familiar with my letter, sent to Stoltenberg, cochairman of the conference on the former Yugoslavia and representative of the UN secretary general, which articulates Croatia's standpoint. By shelling the Maslenica pontoon bridge, by inflicting the latest damage, that has temporarily rendered the bridge unusable, the rebel Serbs have gone over the top. The rebel Serbs went too far in shelling the bridge. We believed reason would prevail, and this is why we demonstrated extreme restraint and our good will.

But this barbaric act, this unreasonable act, is the last drop in the glass of our patience. From now on we will demand of both the UNPROFOR [UN Protection Force] and rebel Serbs to implement UN Security Council Resolution No. 769, which refers to control over Croatia's state borders, so they can no longer receive outside supplies, as well as resolutions 815 and 847, which refer to the incorporation of this territory into the constitutional, legal and economic system of sovereign and internationally recognized Croatia.

It is interesting that the Serbs did this in spite of the fact that the Serbian and Montenegrin delegation at the Geneva conference, including President Milosevic and Bulatovic, said that everything should be done to normalize relations between Croatian authorities and Serbs in Croatia, as well as Serb-Croat relations in general. The extremists nevertheless continue their campaign, so Belgrade will have to take steps, as it also bears responsibility because these Serbs were incited to rebellion and aggression by the Yugoslav communist Army. These extremists were receiving weaponry, equipment and volunteers from Serbia. Consequently, if Belgrade wants normalization of relations, if it wants peace, it will have to take steps to curb them and withdraw the volunteer formations deployed there. At the same time these extremist Serbs in Croatia will have to realize that Croatia will no longer tolerate such actions on their part.

As I noted in my letter, Croatia will take measures it believes are necessary to restore the constitutional and legal system. We will no longer discuss any kind of withdrawal of Croatian forces. We are going to discuss whether it [as heard] wants a peaceful solution, whether it wants to implement the resolutions I mentioned.

[Unidentified correspondent] Last night, Belgrade radio carried an interesting statement released by the Serbian Government from its session. Among other things the government also warns the rebel Serbs—this is not how it refers to them—against hasty moves. Does this in a sense indicate that Belgrade does not have total control over them? Or else, is this just a part of their game?

[Tudjman] I believe there are elements of both; it is partly a game, but there are also extremists who believe that they no longer have to take orders from anyone, that they can treat irresponsibly even those who had recruited them to fight for a greater Serbia and who have now understood today's international circumstances. Consequently, they are resisting the policy of normalization.

[Aleksa Crnjakovic, VJESNIK] Mister President, General Cot recently said that his soldiers are not capable of protecting the Maslenica bridge. Even UNPROFOR patrols retreated during Friday night. What is your comment? Will the peace force be able to control this area despite the fact that it has assumed some obligations under the Erdut agreement? Thank you.

[Tudjman] The problem rests with the fact that under their current mandate the peace force is neither equipped nor authorized to use force against the kind of violence the Serbs continuosly perpetrate. This is one reason why we demand, in the event of the UNPROFOR mandate being prolonged, that the mandate must be changed. This peace force must have both its equipment and its brief changed.

Understandably, whatever the peace force's conduct in any particular area, the attitude of individuals, of individual commanders, and even some low-ranking units and companies of this peace force, comes to the fore. Referring to your mentioning their withdrawal, well, that is slightly surprising. This almost means that they had expected the kind of attack that was later carried out. I nevertheless believe that the world will understand in the wake of this barbaric act that Croatia's demands are justified, and not just its demands, but Croatia's steps too, the steps we will take.

[Journalist, in English with superimposed Serbo-Croatian translation] Swiss radio and television. President Tudjman, if the UNPROFOR mandate is not changed as Croatia would like, what will you do, will you ask UNPROFOR to withdraw? The second question: Why did Croatia sign the Erdut agreement which did not mention the Serb heavy artillery at all?

[Tudjman] The signing of the Erdut agreement did not take place simultaneously; it was first the Serb representatives who signed the agreement, and then our transport minister did it. It was a sign of our goodwill and it is obvious that the Serbs could understand that we were placing our signature in order to create conditions for further peaceful implementation of resolution 847: the reopening of roads, power transmission lines, oil pipe-lines and so on, about which we spoke at the top level within the Geneva conference. And then they reneged on it.

As regards the mandate, if UNPROFOR is not empowered or does not get equipment to implement these resolutions of the UN Security Council, obviously Croatia will no longer be willing to agree to the extension of such a mandate. But, we still have time this month, and we will see how events are going to unfold, there is still time until the expiry of their mandate, but it is important to see how things are going to unfold from now on, whether the Serbs will understand that it is high time they gave up these actions, as Mr. [word indistinct] has just mentioned, even the Serbian government is dissociating itself from that, if I understood his question rightly.

[Mudric] Sanja Mudric, NOVI LIST, GLAS ISTRE, Mr. President, today we read in the press that Serb rebel forces Commander Mile Novakovic stated at a meeting with Mr. Thornberry in Knin yesterday that a deadline of sorts for the withdrawal of the Croatian armed forces is midnight [2200 GMT] tonight.

[Tudjman] Did he really state that? [laughs]

[Mudric] Now I would like you to comment on that: Are these words only a threat, or do you really expect some military action, i.e. if you are expecting such actions what is our army going to do?

[Tudjman] I think that this so-called, self-styled, or even legitimate general is not very serious when making such statements, and that no actions will come from their side. If the attacks take place they will receive an adequate reply. For our part, alongside political and diplomatic actions, we will undertake the actions that we deem necessary at a time we consider appropriate. In any case, as we have said in a letter that I have sent to Mr. Stoltenberg, we will no longer tolerate a situation in which the safety of the Croatian areas outside the UN-protected areas is threatened right from the UN-protected areas themselves.

We are continuing the repairs to the Maslenica bridge, and it will be reopened for traffic in a few days.

[Kuzmanovic] Jasmina Kuzmanovic, AP. Mr. President, can you explain why, in your opinion, the conditions set under the Erdut agreement have not been met?

[Tudjman] I have already answered this question.

[Kuzmanovic] Tell us then, since you have said there will be no withdrawal, whether there will be any withdrawal regarding this latest deadline, tonight at midnight.

[Tudjman] I have answered to this question, too.

[Journalist, in English with Serbo-Croatian translation] To change the subject somewhat, as you may know, NATO in Brussels agreed early today to the use of NATO warplanes to punish Serbs [words indistinct] regarding Bosnia-Herzegovina and possibly protection for (?warplanes) and the blue helmets in Bosnia-Herzegovina? Is that a good idea?

[Tudjman] This is one in a series of decisions which have been taken to mount pressure on the Serbian aggressor in Bosnia- Herzegovina. It would have been better had such a decision materialized at a much earlier stage. Even this decision must probably exert some influence on the negotiators in Geneva. Unless they do not heed this warning, in the wake of so many statements to the effect that the EC and United Nations were going to do something and the U.S. government's direct involvement and even the U.S. President's words indicating that the United States and its European allies will do something, it appears to me that such statements at this moment should be seen as bringing direct pressure to bear on the Geneva talks so they can end successfully [sentence as heard]. If they fail, this world—which has been suffering and watching and taking no effective steps against this aggression—will eventually have to do something. It seems to me that the former outcome is more likely, that the negotiations in Geneva will, if only in a formal sense, come to an end.

[Journalist] May I ask one more question. The Croatian public has commented in various ways on the introduction of the kuna as the Croatia's currency. Some say that this should perhaps not have taken place because of the negative memory of the NDH [Croatia's WWII pro-Nazi regime]. What is your explanation of the fact that the Assembly has taken such a decision?

[Tudjman] Does the Croatian public cherish a more positive memory of the Austrian or Hungarian forint or kreizer or of the Yugoslav-Serbian dinar? The kuna was legal tender since the 9th century. It is featured on the coat of arms of Croatia and Slavonia. Hence, it is impossible for four years of a certain regime to discredit centuries of Croatian history. At the time there were such regimes in all European countries. I can therefore see no reason, those who criticize this cannot see the historic aspect of this issue. They have joined the ranks of those who are not willing to recognize Croatia's sovereignty in resolving all its issues on a democratic basis in line with its history, its traditions and its interests.

[Todorovski] Ilinka Todorovski, Slovene radio and television. With your permission, I would like to bring up the Erdut agreement again. This agreement clearly provides for the withdrawal of Croatian troops from three locations - the Peruca dam, the airport, and the bridge. It has also been learned from UNPROFOR sources that there is a fourth location, Miljevac [plateau]. According to the Croatian government, Croatian troops are prepared to withdraw from two locations, from the airport and the bridge.

[Tudjman] There is no need to dwell on that. The Erdut agreement is history: Article five of the Erdut agreement says that negotiations on the resolution of all issues ought to continue. But the Serbs avoided them, we were prepared to hand over the Maslenica bridge and Zemunik airport to be placed under UNPROFOR control; however, UNPROFOR also procrastinated, the former side [Serbs] violated the agreement, and there is therefore no need for me to speak about that again. That is a matter of the past, the Serbs created a new situation with this barbaric act, and this is what I have already said in reply to an earlier question.

[Todorovski] I have one more question. Did you have any particular reason to send your protest letter last night only to Mr. Stoltenberg and not to Lord Owen?

[Tudjman] I did, because Mr. Stoltenberg is at the same time the main representative of the UN secretary general for issues concerning UNPROFOR.

[Todorovski] What will be the bottom line for Croatia, for its reaction to the attack on Maslenica bridge? Will the Republic of Croatia respond to an artillery attack on Zadar?

[Tudjman] We will have consultations within the framework of the Geneva conference, we will have talks with Serb representatives; let me remind you that the Serb question in Croatia is not only the question of the Serbs in their so-called Krajina. Furthermore, I think that at this moment, the barbaric act of the Knin Serbs aroused the rage of the entire Croatian public, and the world public also understood whom we are dealing with. From this moment on, all Serbs in the Republic of Croatia have to bring them [Krajina Serbs] to their senses. Despite our intention to continue with our policy of restraint, our efforts to reach a solution through political means in a peaceful way, we are also determined and as I already said in my letter to Mr. Stoltenberg, we wish it to be known that in case we do not succeed in reaching a political solution, we will undertake all necessary steps in order to ensure the territorial integrity of the Republic of Croatia and to ensure the peace of our citizens.

[Journalist in English with superimposed Serbo-Croat translation] President Tudjman, Marck [word indistinct] of REUTER. Two questions: First of all, the Croat members of the Bosnian Presidency left the government delegation. Can we hear your comment on that. The second question is in connection with the eviction of the Croats in Bosnia. Is Croatia going to take concrete steps to protect the Croats in the neighboring state?

[Tudjman] In reply to your first question, I can express my opinion that what the representatives of the Croat people in Bosnia- Herzegovina have done is a normal step, because they were sitting in the Presidency of the Republic of Bosnia-Herzegovina while the same Presidency is the supreme commander of the Bosnia-Herzegovina Army which is made up of Muslim forces and which has been engaging in offensive actions against areas that the Croat Defence Council used to control, and has also been perpetrating ethnic cleansing and massacres of the Croat civilian population, as we have recently seen and been horrified at. Therefore, such a step, after everything that the Croat representatives have done in order to secure cooperation within the Presidency and the Bosnia-Herzegovina government, in order to secure cooperation between the Croats and the Muslims in Bosnia-Herzegovina, after all that has happened, such a step is completely understandable.

I hold that it will clarify things a little. They [Croat members of the Bosnia-Herzegovina Presidency] have now joined the Croat delegation led by President of Herceg-Bosna Boban, while the Bosnia-Herzegovina delegation led by Izetbegovic remains on the other side. To tell the truth, it does still include some representatives of the Serbs or opposition parties which, on the other hand, the Serb negotiating side does not recognize.

Therefore, this will make the negotiators more serious and clarify what is actually the case here. It can also influence Mr. Izetbegovic and other representatives of Muslims in Bosnia to stop the offensive actions, these attacks on the civilian population, ethnic cleansing. It is a fact that, instead of fighting the Serb aggressor, the Muslims concentrated their forces in one area and launched an offensive against the Croat people; it is also a fact that they have been implementing what their so-called politicians were intimating: That they were not ready for fighting the Serbs, but they are now ready to fight the Croats.

Apart from this, as you probably know well, one of their champions who calls himself vice president, although this is not in line with their constitutional order, Izetbegovic's deputy says that they have a secret agreement with the Serbs and that they made a mistake when they refused to team up with the Serbs etc. This is, I would say, not merely an unreasonable policy. It is also a policy that directly contradicts Bosnia-Herzegovina's interests. I would also say this because the new constitutional principles had already been accepted at the Geneva conference. This is also at odds with the union's interests, the union of republics of Bosnia-Herzegovina, and with the Muslims' interests in particular.

As far as your second question is concerned, I occasionally receive Croatian people from all areas of Bosnia-Herzegovina. Yesterday I received a delegation from central Bosnia. These people are in a very difficult position. They were even on the verge of deciding, they had already taken some decisions, that they had no other alternative but to emigrate from this area. I have to tell the Croatian public, Bishop Komarica who has come to me on several occasions is also familiar with this, and so is Bishop Puljic and others, that I have advised them to stay in their towns whatever the cost unless their survival is at stake and to secure defense; I told them that we were trying within the framework of the Geneva conference to make sure that Croatian people in those areas, today they are called republics, meaning that the Serbs or Muslims will be in the majority, enjoy full civil and national rights under constitutional solutions for Bosnia-Herzegovina just as those Muslims and Serbs who end up in the Croatian republic in Herceg-Bosna will also be entitled to them.

They must be entitled to them in all three republics under international conventions and in the spirit and letter of that solution which requires full security [as heard]. This is not a matter of some solution on a totally ethnic basis, as some among the ranks of Muslims and some others claim in a one-sided manner. The best piece of evidence is the fact that about 170,000 Muslims would remain within the borders, draft borders, of the Croatian republic of Herceg-Bosna while about 200,000 Croats would remain within the Bosnian republic where the Muslim population is in the majority.

Hence, it is clear that this fact in itself requires and imposes full reciprocality in recognizing not just civil rights but in safeguarding personal security and national existence in these areas. Everyone who does not take this into account on any side, in the Serbian, Bosnian, or Croatian republic in the framework of a union of Bosnia-Herzegovina, opposes not only the interests of some other people but those of his own people as well as international efforts to resolve at long last this crisis in Bosnia-Herzegovina, to find a way out of this terrible war and bloodshed.

[Unidentified journalist] Mr. President, in Geneva Alija Izetbegovic requested access to the river Sava and the sea for the Muslim republic. What was your reply to Alija Izetbegovic in Geneva? And one more question if possible: Given that, unfortunately, the tabloids are the most popular press in our republic, I would like you to give me an answer to the question: Are you having a new presidential palace and a new expensive yacht built?

[Tudjman] As far as the access to the Sava and the sea is concerned, I recalled during the talks that quite a number of small states, and not just small states—like Luxembourg, Liechtenstein, and whatever the others are called—but also real states, even bigger ones than Bosnia-Herzegovina, and since the talks were held in Geneva I mentioned Switzerland, which is hosting the conference, and also Austria, Hungary, the Czech and Slovak Republics, etc., there is, therefore, a large number of states that do not have access to the sea [words indistinct], nonetheless they still exist as sovereign independent states, prosperous or not depending on their own systems, the degree of wealth, intelligence, or lack of it. With regard to such states, I expressed readiness so that peace and an end to the war can be achieved as soon as possible, and that conditions can be created for cooperation and for the development of a stable system in this part—i.e. Bosnia-Herzegovina vis-a-vis its neighbors, Croatia and others—I expressed readiness that Croatia should give to the Union of Bosnia-Herzegovina, and more specifically to the Muslim republic, i.e. the Republic of Bosnia, a free zone in the Croatian port of Ploce in accordance with the international conventions as happened before throughout history and even nowadays. Mr. Fikret then said that the Bosnian Republic was interested in the part of Bihac-Cazin Krajina to the river. Even this can be taken into consideration, but at the same time such concessions, i.e. free zones, cannot be made without some sort of reciprocity. We offered similar zones to some central European countries counting on cooperation with them—for instance in land traffic. In return for the free zone in Ploce, Croatia would demand certain concessions in railway and road traffic throughout the Union of Bosnia-Herzegovina. We are interested in a certain amount of traffic from southern Croatia, from the Ploce area, which will be a link with Croatian Slavonia. We mentioned these questions as a gesture of good will and for the purpose of finding a solution. These questions will have to be resolved through a mutual agreement that would benefit both sides.

Regarding the second question: It is good that you mentioned that this is a problem of the tabloids. Those who bring out the question of the construction of a presidential palace or a yacht [words indistinct] a plane, belong to those Yugo-unitarian remains, or else Yugo-communist [word indistinct] who have not yet got accustomed to the fact that Croatia has become a sovereign state that has its own state leader.

These people do not wish to know that the president of the Republic of Croatia had his residence in the Upper Town until the attack on 7 October 1991 on Banski Dvori when they wanted to decapitate Croatia in order to implement the ideas I already mentioned. Banski Dvori was largely destroyed in that attack and has not yet been fully restored, but the Croatian Government is now there. The building in which we are now was not built for the purpose of the residence of the president, i.e. the head of Croatian state. It used to be a villa for the president of the former socialist Yugoslavia, who was a Croat, so that he could stay here a day or two, or even several days, whenever he was passing through. We are, therefore, without necessary office premises and what we are building now are office premises—premises for the office of the head of state—which by size, will be smaller than Banski Dvori, the seat of Croatian governors who were after all not the heads of state of an independent, sovereign Croatia. It is, therefore, not just of a question of pseudo-politics, but of the deep misunderstanding of historic changes.

As for the yacht... first of all about the plane: The head of Croatian state was supposed to have flown to Geneva yesterday or the day before, instead of flying perhaps he should have gone to China on a donkey, today or tomorrow if necessary. [as heard] As for the yacht, Croatia is a naval country. For the first time, both civil and naval Croatian flags are flying on the Adriatic. A flagship will be part of the Croatian Navy, for admirals, to show that Croatia is a naval country. There will most probably be some sort of a ship that will be used by the Croatian head of state to show other heads of state that Croatia is not just a central European state but also a Mediterranean naval state. It is, therefore, not a question of any luxury or surplus expenditure but of the normal establishment of the Croatian statehood in all its areas.

[Unidentified moderator] This will be the last question.

[Journalist] [Name indistinct], NEDELJNA DALMACIJA. Mr. President, in response to NATO's announcement of a possibility of air strikes, one of Mladic's generals, the commander of his air defense, held a press conference yesterday and concluded it with these words: This must be our fate. At the same time, they agreed to withdraw their forces from the occupied territories on Mts. Igman and Bjelasnica. However, in response to that, Lord Owen opposed the possibility of NATO's intervention in Bosnia-Herzegovina. Can you comment on this, and—just one short question if I may—can you comment on Izetbegovic rejecting what he once already agreed to in Geneva?

[Tudjman] As you can see, the situation regarding the international scene and the most responsible circles and

people involved in this crisis in efforts to find a solution to the crisis in former Yugoslavia is repeating itself. There is no unified view and they still don't know what to do. In particular, there is no unity either within Europe, between main European countries, or between this united, i.e. disunited, Europe on one side and the United States and the United Nations on the other. Lord Owen most likely wanted to say—as he and before him Vance and all others before and after them said—that there will be no intervention. Why there would be no intervention and why there hasn't been one already, these are the questions you can write or discuss on the basis of those documents that have partly been published. Consequently, it is difficult to say what will happen in the end. I think the only certain thing is that all sides in the conflict have no other choice but to agree to peace.

As for the Serb general's press conference, one finds that these extremists in their ranks have a fatalist approach. They were imbued with the idea about a greater Serbia, the idea that they largely tried to realize and that they are realizing. However, there is also a more serious wing in these ranks. We know that among Serbs from Knin via western Slavonia to eastern Slavonia—there are a considerable number of people, especially Serbs in Zagreb and other Croatian towns—who realized a long time ago that such an extremist policy and the policy of opposing Croatia, even by arms, is perilous. They favor a political solution. Likewise, there are among Bosnian Serbs, and especially in Belgrade, those who believe that the war should be ended and that relations should be normalized. There is a certain amount of fear in the Croatian public. Ignorant people think that any solution in Bosnia- Herzegovina, especially the one proposed, would be unfavorable for Croats and that it could allegedly lead to such a solution being sought in Croatia. This is a completely wrong view. Bosnia- Herzegovina consists of three constituent nations—not one of them is a sovereign nation. They are three constituent nations with equal rights to organize their mutual relations, and you will notice that most senior European officials said that the rights of the Muslim minority must be secured. This can indicate the ways in which the problem was being resolved until now. As for the comparison between Bosnia and Croatia, there cannot be one because in Bosnia there are three constituent nations, while in Croatia Serbs constitute a minority. According to international norms and conventions, national minorities have no right to self- determination. If the world were to recognize this right, the world organization and the international community...[pauses] No international system would be possible. Consequently, Serbs in Croatia have the right to protect their own civil and ethnic rights. Our constitution and the constitutional law that we adopted in accordance with the European conference on former Yugoslavia ensured that right. They also have local autonomy in two districts where Serbs constitute a majority; they can make their own decisions as laid down by UN Security Council resolutions, and as the most serious politicians from Belgrade and Podgorica recognize, within the Croatian state.

I would even go as far as saying that the adoption of such a solution as proposed by the cochairmen in Geneva regarding the crisis in Bosnia-Herzegovina—the creation of a union of three republics—in fact improves the position of Croatia in the sense that Serbs in Bosnia, if they want to retain the right to their own republic within the framework of the union, must not support a socialist movement in another sovereign state, rather, as they said, they rejected the proposals of extremists from Knin, from Croatia, to unite. Instead, their message to these extremists is to resolve their issues within Croatia. And another gain for Croatia: As a definite solution to the crisis in Bosnia-Herzegovina is approaching, more favorable conditions are being created for finding a solution to the Serbian question in Croatia. I repeat, I am still hoping we will achieve this in a political way. However, if people such as the ones who sunk the pontoon bridge continue to have power or be most influential in Knin, it is clear that Croatia will take other measures—as I said at the beginning—to secure its sovereignty throughout its territory. Thank you.

[Moderator] Thank you very much. We now end the news conference. Goodbye.

Army General Admits Sabotage in Former Yugoslav Army

LD0308161493 Belgrade TANJUG in English 1433 GMT 3 Aug 93

[Text] Ljubljana, August 3 (TANJUG)—Konrad Kolsek, a Slovene who had the rank of general in the former Yugoslav Army, has recently decided to speak about his role in the disintegration of the former Yugoslav Federation, admitting that he had sabotaged general staff decisions on military actions aimed at protecting the state borders and thus directly helped Slovenia's secession.

Kolsek, who returned to Slovenia from Belgrade a short time ago, told the Slovene newspaper VECER he decided to break his silence because of various forms of pressure, including anonymous threats of "physical liquidation". As the commander in charge, I prevented the use of special units and air strikes on Ljubljana and other towns, he boasted.

Kolsek was in command of the former Yugoslav Army district which covered Slovenia and a part of Croatia.

Slovenia broke away from the former Yugoslavia in late June 1991, after a conflict with Yugoslav Army troops sent there to protect the state borders.

The troops, mostly composed of eighteen-year-old conscripts who were not properly armed and who had strict orders to shoot back in self-defence only, were assaulted by the well-armed Slovenian Territorial Defence Force which had been planning the action for months.

Minister Jansa Provides Details on New Defense Law

AU0308165393 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 3 Aug 93

[Text] The government at its last session passed a draft defense law. Defense Minister Janez Jansa presented it to the public in more detail this morning. Robert Skerjanc reports:

[Be[illegible]. Skerjanc recording] In his introduction, Minister Jansa stressed that the government had recently passed three very important laws on defense—apart from the defense law, also the appendices to the National Security Project From the Standpoint of Defense and Protection and the law securing funds for the development and implementation of the long-term armament plans, according to which we will allocate 1 percent of the national income for arms during the next eight years.

The defense law, which parliament will have to pass with a two-thirds majority, is supposed to regulate the sphere of defense in compliance with the new Constitution and the State Chamber decisions on safeguarding the national security from the standpoint of defense. The law must urgently be changed also because the present legal regulation of this sphere is outdated and already superseded in practice, as well as because the solutions in the current law are based on constitutional and other solutions that applied at the beginning of 1991 and are no longer applicable.

According to the proposal of the law, defense will consist of the military and civilian defense. Most countries of parliamentary democracy have such a solution. The draft law also allocates authorities, particularly between the State Chamber, the government, the supreme commander, and defense minister. Since the experiences suggest that the highest possible coordination between military and civilian defense must be safeguarded, the law also envisages the functioning of the National Security Council, which would work within the government.

What is also new is that the passage on protection and rescue has been left out of the law. This sphere will be regulated with a special law. [end recording]

Federal

Government Urges U.S. To Refrain From Action

LD0208205593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1817 GMT 2 Aug 93

[Text] Belgrade, 2 Aug (TANJUG)—At its session today presided over by Prime Minister Radoje Kontic, the Federal Government reviewed reports on the Geneva talks on the crisis in Bosnia-Herzegovina and on the development of the current foreign political situation. On this occasion, the government expressed satisfaction with the significant progress achieved at the Geneva negotiations, which is especially manifest in the adoption of the constitutional agreement and the acceptance of most of the proposed maps.

According to a statement issued by the Federal Information Ministry, the Federal Government underlined the constructive activity and important contribution of the delegation of the Federal Republic of Yugoslavia [FRY] in the peace process so far. The government expressed the conviction that all three sides in the Geneva negotiations will continue to display a spirit of compromise and reach a comprehensive political agreement as soon as possible which will finally bring the tragic war to an end and establish a just and stable peace.

The statement says that the government drew attention to the principled stand that the FRY will agree to any political settlement acceptable to all three constituent nations in Bosnia-Herzegovina, which equally asserts and protects their legitimate interests and rights.

The Federal Government stressed that the prime responsibility for the further successful work and outcome of the Geneva conference lies with the three belligerent sides, but that a great deal of the responsibility is also borne by foreign factors, which are expected to extend maximum of political support for the negotiations and refrain from all statements and activities that could obstruct or even jeopardize the talks. In this respect, the FRY Government especially appeals to the U.S. Administration not to take any military action in Bosnia-Herzegovina. The possible deployment of the air force over Sarajevo could bring the peace process into question, encourage Muslim extremists, and lead to the escalation of armed conflicts not only in Bosnia-Herzegovina but further afield, the statement warns.

The Federal Government also supports the Erdut agreement of 16 July this year on the withdrawal of the armed forces of the Republic of Croatia from captured areas in Krajina. It regards the advantages of dialogue and negotiations as the best way of overcoming and solving open issues in relations between the republic of Serb Krajina and the Republic of Croatia by peaceful means.

It is precisely in order to strengthen the negotiating process that both sides should strictly adhere to the obligations assumed by the Erdut agreement. This implies the obligation on the part of the Republic of Croatia immediately to evacuate its troops from Peruca, Zemunik, Maslenica, and Miljevac plateau, and to transfer control of these areas to UN Protection Forces. The government notes that the United Nations has assumed responsibility for the consistent fulfillment of obligations which both sides took on by signing the Erdut agreement.

The government expects the republic of Serb Krajina to display the necessary patience and restraint in order to make possible the peaceful withdrawal of the armed forces of the Republic of Croatia from the mentioned areas.

The FRY Government expresses the conviction that the expected final political solution to the crisis in Bosnia-Herzegovina will have a positive impact on solving the overall relations between the FRY and the ceded former Yugoslav republics.

The statement from today's session stresses in conclusion that the federal government believes that the considerable progress made in the peace process and the FRY's constructive contribution to ending the civil war and interethnic clashes in Bosnia-Herzegovina have created conditions for lifting the unjust and unilateral sanctions against Yugoslavia.

Protest Issued to Albania Over Border Incidents

LD0308164993 Belgrade TANJUG in English 1543 GMT 3 Aug 93

["Pool" item]

[Text] Belgrade, Aug 3 (TANJUG)—The Federal Republic of Yugoslavia (F.R.Y.) on Tuesday strongly protested with Albania over the latest incidents on the two countries' border, when the F.R.Y. territory was violated by Albanians and Albanian border organs using fire arms.

The protest was delivered at the F.R.Y. Foreign Ministry to the Albanian charge d'affaires in Belgrade.

The protest recalled the earlier demarches and protest notes, pointed out that the incidents were now becoming more frequent, and underlined the Albanian Government's duty to do its best to prevent Albanians crossing illegally into the F.R.Y.

The Albanian charge d'affaires was told about the possible serious effects of these incidents, especially the Albanians' and Albanian border organs' opening fire, the consequences of which would be sustained by the Albanian side alone, the F.R.Y. Information Ministry said on Tuesday.

The F.R.Y. Government reiterated its proposal for an urgent meeting of the Mixed Commission for Border Incidents. For incomprehensible and unjustified reasons, this meeting has been postponed by Albania since June, 1992.

LS Banja Luka President Condemns Serbian Actions

93BA1272B Podgorica MONITOR in Serbo-Croatian 2 Jul 93 pp 26-27

[Interview with Dr. Miodrag Zivanovic, president of the Liberal Party Banja Luka, by Stevan Tavni; place and date not given: "Life in the Past"]

[Text] An informant who really has something to say and does not hesitate to say it loud and clear, even at the price of further "satanization" of himself and of the party which he heads.

A doctor of philosophical sciences, with more than 100 scientific writings published all over the former SFRY and Europe, an extensive list of the titles of the books he has published, the authority of a revered "individualist," who continues without reserve to set the human and the humane head of Serbism, which on the territory of the republic of Srpska [RS] is not seen as a virtue and is not a position which guarantees, for instance, that one will remain in his job, Dr. Miodrag Zivanovic spoke to MONITOR about happenings in Banja Luka.

[Zivanovic] Slowly, but surely, numerous segments of our environment are shifting us into the past, into a distant superseded past out of touch with the present in the contemporary world. The position that everything that is "Serbian" has the value of the only valid criteria, indeed criteria above the human, will certainly not classify our new state, the republic of Srpska, among the governmental communities that guarantee and facilitate the realization of those same rights by all their inhabitants.

[Tavni] What will happen with Bosnia?

[Zivanovic] Those who are well-versed in the problems of B-H [Bosnia and Herzegovina] say that Bosnia will be divided into Expanded Serbia, Expanded Croatia, and Expanded Kladusa. However cynical this characterology sounds, the observation is accurate! The realization of the project of SSZ (united Serbian lands) and "democratic" Croatia in its "1,000-year historical borders" is just now coming to an end on the well-known national ideology of "blood and soil." Thus, too little of Bosnia is being left to the Bosnian Muslims. Of course, too little of life as well, as we see for ourselves every day.

[Tavni] Is that true only for the Muslims?

[Zivanovic] No, of course not. As far as life goes, too little is being left for everyone. Several hundred thousand lives have been lost in the whirlwind of war, over a million people have been resettled, and I will not even mention the destruction.

[Tavni] Does that mean that there has been ethnic cleansing on all sides?

[Zivanovic] On the territory of the former Republic of B-H, and indeed even in the republic of Srpska, ethnic cleansing is for all practical purposes complete (it is being brought to an end by force of arms at this point only in central Bosnia). That is also the situation in Banja Luka, but that is also how it is on territories controlled by the other two sides in the black cauldron of Bosnia.

[Tavni] Banja Luka today?

[Zivanovic] In Banja Luka, everything has been done and is continuing to be done according to the dictates—better write according to the dictatorship—of the leadership of the Banja Luka SDS [Serbian Democratic Party] (a group of infantile people, Serbs by profession and profits for themselves). This leadership almost daily issues various orders and decrees, certain "decrees" about who can and who cannot be a leader—guided exclusively by the criterion of party membership and subservience to the SDS. The personnel officers of the former League of Communists did this far "more elegantly" and much more painlessly for society.

[Tavni] Why such caustic words?

[Zivanovic] I love this city, this Banja Luka (or Banjaluka, no matter!). I belong to it and that is why I am convinced that it does not deserve what it is experiencing; I say that the consequences of this personnel policy are disastrous for all the segments of life, for the health service, education, culture, art, and especially for the situation in the economy!

Ethnic fitness and the criterion of "patriotism" have necessarily resulted in a negative selection of personnel—because the criterion for advancement of personnel is not ability, so the inept and incompetent go to the center of decisionmaking. Specifically, Banja Luka has been abandoned by numerous specialists although they have not been proclaimed enemies, but they have been somehow forced to go; not only Muslims and Croats, but also a large number of Serbs. In the health service, that number is climbing to several hundred, among them even names well-known in world specialized circles.

[Tavni] The ethnos, then, has prevailed over the ethos?

[Zivanovic] You are right. Everything is preceded by an ethnic sign, that is, and it is this that is disastrous—a nationalistic sign. Our life has been narrowed and shut off in the ethnos. The ghettoization of life has given us the nation, but we have lost dignity. We have, of course, lost bread as well. In those few firms that are operating (and it is not just the war that is to blame for everything), salaries range at about 10 German marks [DM], pensions, which are arriving two months late, have a "ceiling" at DM0.5 to DM2. The government says all this is good, because we are at least surviving. It is war, I agree. But even when the war stops, I see no way of organizing the economic infrastructure, the economy, transportation, everything that constitutes daily life, in three ghettos fenced off from one another on ethnic grounds. In a mechanism which is shut off to itself, how is one to live a normal human life, an open life? How is dignity to be restored?

[Tavni] Are they all losers?

[Zivanovic] No, all are not losers. Crime and profiteering rule the territory of the former B-H. All the characteristics

I have enumerated hold for all the planned nation-states, and they all have their own war profiteering winners, who have "usurped" the official power. It is no wonder that the intentions of the government of the republic of Srpska to combat crime paled before the strength of those groups; they have even infiltrated the ranks of the governing structures.

[Tavni] At the end....

[Zivanovic, interrupting] There is no end to this so long as we are led by leaders of the nation.

[Box, p 27]

The Liberal Party [LS] of Banja Luka is actually the only oppositionist political form that is operating in an organized and vigorous way in this region (for the present, only in the city).

To be sure, in Banja Luka and other cities of Bosnia and Herzegovina opposition parties do exist formally (the Reformists, the SDP [Social Democratic Party], and the ethnic parties: the HDZ [Croatian Democratic Union] and SDA [Democratic Action Party] have been "outlawed"!), but there work has mainly died out—partly because of the war itself and partly also because of the political climate in which only those ideas and those programs, which have a national, more accurately, nationalistic, bent can "get through." The Liberals are holding on to encourage those who are still thinking coherently!

[Box, p 27]

The Banja Luka Liberal Party still does not have "ties" with related parties of the same name on the territory of the former SFRY. At the moment, each party is burdened on its own territory by narrow and local interests valid only for those territories. This is one of the reasons why we will not communicate on behalf of joint actions with any party, not even those that call themselves Liberal, until peace is permanently established.

Serbia

Part of Urban Population on Brink of Starvation

LD0308131193 Belgrade TANJUG in English 1223 GMT 3 Aug 93

[Text] Belgrade, Aug 3 (TANJUG)—Much of Yugoslavia's urban population is on the brink of starvation as a direct result of an international economic blockade clamped on the country 14 months ago. Figures released by a number of competent organizations showed that in May, 60 percent of the impoverished urban population was unable to secure the basic necessaries of life, such as meat and milk. Says Borivoj Vracaric, professor at Belgrade University's school of medicine: "The situation is deteriorating from day to day, and the first clinical signs of undernourishment are to be expected by the end of the year."

"And all this when we know that already in 1992, the calorie count of food was 20 percent short of the required level," he said in his statement to TANJUG. Tests conducted last year showed anaemia in one out of two children in Belgrade. Draft boards in Novi Sad, the capital of the Serbian province of Vojvodina, established that fifty percent of the recruits were undernourished and as such unfit for military service.

In May of last year, the U.N. Security Council imposed tight economic and political sanctions on the new Yugoslavia for its alleged involvement in an ethnic war raging between Moslems, Serbs, and Croats in the former Yugoslav republic of Bosnia-Herzegovina.

Yugoslavia has a population of 10.4 million to feed, and has since the outbreak of crisis in former yugoslavia felt compelled to give shelter to more than 650,000 refugees from the breakaway republics of Croatia, Bosnia-Herzegovina, and Slovenia, which has compounded the food problem and dragged the living standards to their lowest level ever.

The country has a record inflation rate, which in July stood at 431.5 percent a month. This kind of inflation is eroding the purchasing power of the people, with the national currency, the dinar, losing between 15 and 20 percent of its value daily.

Experts are pessimistic, and expect the average wage in September to dwindle to an equivalent of two or at best three Deutsche marks, as against the 560 D-marks at the close of 1990.

The Yugoslav government explains that there can be no perceptible reduction in the inflation rate and no economic recovery for the duration of the blockade, the worst the world has ever seen.

Veselinov Says West Rewarded 'Nationalists'

AU0308172593 Budapest NEPSZABADSAG in Hungarian 3 Aug 93 p 2

[Interview with Dragan Veselinov, chairman of the People's Peasant Party, by Jozsef Szabo; place and date not given: "The West Is Rewarding the Nationalists of the Former Yugoslavia"]

[Text] Dragan Veselinov is one of the most remarkable representatives of the Serbian democratic opposition. The world noticed him when he took a key role in the peaceful mass demonstration organized for the imprisoned Draskovic couple. Veselinov told NEPSZABADSAG the following.

[Veselinov] In spite of the terrible things committed in Bosnia, the West rewarded the Serbian, Croatian, and Muslim nationalists. It has acknowledged everything that these people achieved through war. The West was not willing to defend Bosnia's integrity in time, through military intervention. At the time, two or three years ago, it also did not do anything for the democratic opposition in Belgrade and Zagreb. This led to the situation that Bosnia's fragmentation has to be accepted as a fact.

[Szabo] What are the views of the Serbian opposition on Bosnia's partition?

[Veselinov] At the time the efforts were made to free the Draskovic couple, the opposition came together, but complete unity was not established. The opposition has two kinds of views on Bosnia's partition. One group approves of it, while the other sees no sense in it whatsoever, especially not in the war. These people are considered as "traitors" of their country.

[Szabo] Is the road clear for uniting the Serbian territories?

[Veselinov] The Serbian territories have not yet been formally united but, in practice, this has already happened. The Serbs have also won in diplomacy. I have no doubt that Greater Serbia will also be established.

[Szabo] Can the ecstasy be disturbed by the dissatisfied population's protest against the regime?

[Veselinov] Yes. There is a great danger that the social tensions might explode in Serbia. This is almost unavoidable.

[Szabo] Is it possible that it is precisely for economic reasons that Belgrade is urging to end the war in Bosnia?

[Veselinov] By no means. The chaotic economic situation in Serbia suits the Belgrade regime very well. This is one of the keys to its power. It can maintain itself by using the situation. Naturally, with the help of the law-enforcement organizations and the semimilitary units.

[Szabo] What might happen if, based on the example of Bosnia, the Albanians of Kosovo demand border changes?

[Veselinov] Kosovo Albanian opposition politician Rugova already indicated the intent to change the border and join Albania, but this will not come to anything. I do not believe that the West would agree to this. It will not allow Kosovo to separate from Serbia. It is more likely that it will exert pressure on the Belgrade government to decentralize the political system and to ensure a viable autonomy for Kosovo.

Democratic Party Chairman Comments on NATO 'Threat'

AU0308172493 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 3 Aug 93

[Text] It is very unclear why, at the moment when we expected a solution to peace in Bosnia-Herzegovina to be found, the U.S. Administration and NATO appear with hints of military intervention against Serbian positions in Bosnia. This was what Dragoljub Micunovic, chairman of the Democratic Party, said at a news conference. Here is a report by Vladimir Nikolic:

[Begin recording] [Nikolic] If this is only a threat, Micunovic thinks that one should not play around with such threats. Danger should be taken seriously and no excuse made for any incident. This is why, he said, we are calling on all participants to be circumspect and not to give any cause for an escalation of clashes. He thinks that the peace process should be further encouraged, so that another winter of war can be avoided and conditions created for the sanctions to be lifted.

The Parliamentary Group of the Democratic Party is going to demand an urgent meeting of the Federal Assembly to be held in order to examine the current situation and to avoid financial chaos.

Continuing with the initiative of establishing economic, cultural, and other links on the territory of former Yugoslavia, a delegation of the Democratic Party visited Macedonia, where it was cordially welcomed. We talked with Macedonian Assembly Chairman Mr. Andov, representatives of the Liberal Party, the new Democratic Party, and other parties. President Gligorov hosted a dinner for us, Micunovic said, and, conveying the views of their Macedonian partners, said the following:

[Micunovic] Regardless of the present situation of war that surrounds us, I think that they cannot have closer friends than, of course, Yugoslavia, whose [word indistinct] they were for so many years. The problems of the Serbian national minority will be solved now (?on the basis of the new Constitution). [words indistinct] nothing against the Serbs as a people [words indistinct] (?in the new Constitution) so that [words indistinct] all incidents.

[Nikolic] The Democratic Party will start the initiative for a delegation, which will not be a narrow delegation of political parties, to visit several world centers, where it will hold talks with representatives of these countries' parliaments in order to start the process of the certain abolishment of sanctions, Dragoljub Micunovic said at the news conference. [end recording]

NIN Editor in Chief Gligorijevic Resigns

AU0408101893 Belgrade BORBA in Serbo-Croatian 2 Aug 93 p 24

[Unattributed report: "Fate of Paper Uncertain"]

[Text] Belgrade—At the moment, there are too many factors influencing the fate of NIN, and I am not capable of solving an equation with so many unknown quantities, states editor in chief Milo Gligorijevic in his resignation, which—he stresses—he has handed in because of conflicts between the POLITIKA company and the NIN editorial board, which arose during the separation process.

In the resignation, submitted to Tanjug, Gligorijevic states that NIN is about to make the decision to call a halt to the separation debate, since its negotiating team believes that what the company is offering the magazine is not a reliable basis for its survival.

The outcome of this decision, writes Gligorijevic, could be dual: NIN stops appearing as of 1 September, or POLITIKA hands it over to firms that it has chosen to be cofounders of a new, mixed company.

Calling the first possibility tragic, and the second uncertain, Gligorijevic pointed out that the events in and around NIN are not encouraging to the journalists and

editors, and that "an antagonistic atmosphere permeates the editorial room that can only give rise to errors and irresponsibility."

At the end of his resignation Gligorijevic stresses that the last issue of NIN had a circulation of 36,000 copies, and that sales had remained approximately at the level of almost two years ago, when he had taken over as editor in chief, although meanwhile the country had fallen apart, resulting in the loss of a great part of the market, sanctions had been imposed, it had become impossible to sell the magazine abroad, and the largest, so far unprecedented fall in the Yugoslavs' purchasing power had occurred.

Fate of NIN Discussed

93BA1268C Belgrade VREME in Serbo-Croatian 12 Jul 93 p 11

[Article by Uros Komlenovic: "Amputation of NIN"]

[Text] *The prominent weekly has received an offer to be sold for little money to the first "carpetbagger" who comes around (an American expression for intermediaries who, with a bag full of money, cheaply bought up land in the devastated South after the Civil War).*

Has POLITIKA begun to eat its young, or more precisely to clear its nest of the children who are too voracious in the view of the business office? After the termination of INTERVJU and TEMPO, all indications are that NIN is next in line. At a meeting of the Workers Council of the "POLITIKA" Company (whose mandate, by the way, has long since expired) held on 2 July, it was decided that in the future NIN would be run as a separate company. It was also disclosed that POLITIKIN ZABAVNIK with all its publications and ILUSTROVANA POLITIKA would become part of the POLITIKA company. The magazine INTERVJU, the publication of which has been frozen, will become a mixed company (10 percent of ownership belongs to the "POLITIKA" Company, while 90 percent goes to the company LIN, part of the "Karic Brothers" system), while it is possible that TEMPO will return to the market, but as a monthly.

Company president Zivorad Minovic explained that POLITIKA no longer needs prestigious publications, but rather those that will turn a profit. Since there were no people from NIN at the meeting, the question was raised whether the move to make it independent is taking place with their agreement. Minovic responded that everything has been done at the request of NIN and that the Company's board of directors (Zivorad Minovic, chairman, Natasa Zecar, vice chairman, Aleksandar Tijanic, acting director of RTV [Radio and Television] "POLITIKA," and Hadzi Dragan Antic, director of the daily POLITIKA) has negotiated all this with people from NIN. Unfortunately, it is hard to verify this information, since the chief and responsible editor of NIN refuses to issue a public statement while the negotiations between the POLITIKA house and NIN are continuing.

Carpetbaggers

Nevertheless, it has been learned that employees at NIN did not insist on independence, while their alleged "previously expressed agreement" related to transformation within the POLITIKA framework. The specified deadline is relatively short: It was decided to make all the necessary preparations so that NIN can operate under the new conditions as of 1 September. The haste becomes even more suspect when it is noted that even the model of becoming independent has not yet been agreed to.

Specifically, there are two possibilities being circulated: the formation of a mixed company (as in the case of INTERVJU) and the creation of two separate companies, which presupposes a division of assets and liabilities. The second model is significantly slower, but if applied it eliminates the possibility that the Karices (or someone else) will buy NIN for next to nothing, as was the case with INTERVJU, in which the company LIN reportedly invested only 9,000 German marks and gained 90 percent of all rights.

It is interesting that in the case of NIN, the Company's board of directors is in fact insisting upon a mixed company, so that one is led to conclude that it is interested in dodging the division of assets and liabilities and in reducing, in a timely fashion, the number of those who will shortly be dividing the POLITIKA pie, once a joint-stock company is created.

Thus, the prominent weekly has received an offer to be sold for little money to the first "carpetbagger" who comes around (an American expression for intermediaries who, with a bag full of money, cheaply bought up land in the devastated South after the Civil War). Considering the current balance of economic forces in Serbia, the danger that NIN will be taken over by some firm close to the ruling party is quite real. Without additional capital, without a developed marketing service, and under conditions of abnormally high printing costs, it will be hard for NIN to survive on the market. And it is hard to believe that the POLITIKA business office did not know this when deciding NIN's fate.

Losses

It is more likely that this is a calculated step. In order to cloud the entire matter, economic reasons were cited: small circulation, major losses, excessive fees.... It is clear, however, that the NIN losses are negligible compared to the amount of money being swallowed up by the bulky administration. To say nothing of the gigantic investments in a printing press (the biggest in the Balkans) which will soon have nothing to print, in a "panoramic elevator," and in setting up new TV repeaters. Moreover, one must not forget that all of POLITIKA's publications in magazine format are posting losses, and those that have large circulations are losing most of all.

Thus, as far as the anticipated amputation of NIN is concerned, some say that the reasons should be sought on the other side, most likely in the same kitchen where preparations have been made for attacks by "patriotically

oriented journalists" on that weekly. Or even earlier, when the reconstruction of its editorial office was announced from on high. In any event, the story will be continued, and the report that at the aforementioned meeting any investment by the Company in NIN was prohibited until the transformation is over, and that there is also a ban during the same period on transfers of NIN journalists to other editorial offices and vice versa, speaks for itself.

Dismissals of Editors at BORBA Analyzed

93BA1268B Belgrade VREME in Serbo-Croatian 12 Jul 93 pp 10-11

[Article by Uros Komlenovic: "Media: Owners and Editors: Change at BORBA"]

[Text] *The fate of the newspaper—rises, falls, and uproar.*

As of 8 July, Manojlo Vukotic is no longer the chief and responsible editor of BORBA. He was not helped by the support expressed the day before by all major opposition parties, nor by the friendliness of the independent media, nor by the "Appeal by the Democratic Public," which was signed by 97 employees. The decision was made at a meeting of the Administrative Board, by a convincing majority (15 to 1), and it was observed that only representatives of "Finagra" (the biggest stockholder), the federal government, and the editorial office voted. Representatives of other stockholders did not attend or did not vote. Although the editorial office had expressed no-confidence in him the day before, its chairman, Slavko Curuvija, attended the meeting and participated in the dismissal of Vukotic, only to be imposed through the Administrative Board decision as the new acting chief and responsible editor. Immediately after the Administrative Board decision, the editorial board (all the editors) submitted its collective resignation. At first, the dejected Slavko Curuvija quickly washed his hands of what he called the "unpleasant meeting" and announced that BORBA would continue to operate normally and that its editorial policy would change only insofar as it would operate more professionally, more analytically, faster, and better.

Meat

All of this was preceded by several months of indecision concerning the choice of a new director, whereby in the meantime questions were raised about editorial policy, and finally about Chief and Responsible Editor Manojlo Vukotic (about which VREME wrote in its last issue). During the several days before the Administrative Board meeting, the atmosphere in the editorial office was rather strained. While BORBA journalists deliberated on confidence in their representatives on the Administrative Board, the acting director of BORBA and its largest stockholder, Dusan Mijic, distributed 10 kg of veal (reportedly of excellent quality) to each employee. Some interpreted this move as an attempt by Mijic to buy them off cheaply and to turn them against Vukotic, so that they demonstratively refused the gift. The majority, however, accepted the meat, but that did not affect the outcome of their voting: The editorial office expressed no-confidence in Slavko Curuvija and Djoka Kesic, and thus supported the chief editor. Probably impressed by the whole meat business and the announcement of more regular salary payments, one young journalist summarized his anxiety like this: "If Manja Vukotic stays, there will be no money, but if he goes, then the independent editorial policy is finished. Wherever you turn, we are through...."

The question, of course, is whether things will in fact happen that way, but so far there has been no announcement of a strike or any other form of demonstrating disobedience. For now, the discontent is being expressed through stronger outpourings of loyalty toward the dismissed Manojlo Vukotic (applause after he left the meeting room, kisses, slaps on the shoulder, the board's resignation...) and through grumbling about the fact that until now the majority of the journalists did not even know who the owner of BORBA was, nor how the joint-stock company had been created.

In mid-1990, the then-NIGRO [expansion not given] BORBA split up into 11 enterprises (former BOALs [basic organizations of associated labor].) The general conviction is that the daily newspaper fared best in the breakup; in July of the same year, it was registered as BORBA NIP [newspaper-publishing enterprise], together with OSMICA, KOS, and BIZNIS. Because in the meantime the Federal Assembly had transferred its authority over BORBA to the FEC [Federal Executive Council], the government of Ante Markovic decided to transform all federal newspapers into joint-stock companies. In February 1991, a proposal was submitted by the firm "Mentor," recommending the formation of a completely new company, BORBA d.d., which would exclusively handle the publication of the daily BORBA. The desired circulation of 60,000 copies was exceeded thanks to the events of March (150,000 copies at the end of March 1991), so that ambitions grew as well. It was decided that the federal government should retain 20 percent of the stock, and that 10 percent would belong to employees of BORBA NIP. The rest of the stock was on the market, freely available to buy.

History

In September 1991, a public call for the registration of stock was announced. During the first two months, 6 percent was sold, primarily to small investors (readers, friends of the newspaper, and so on), but the large packages (5 and 20 percent) were not selling. In February 1992, over the course of five days, first the Karic brothers and then Boss Jezda came forward with the same request—to buy the remaining stock (at that time around 62 percent). Aware of the danger of this, the people from BORBA began a quest for more acceptable stockholders. A meeting was held with the leadership of the then-unified Democratic Party, which promised the possibility that Djordje Zecevic and Fedor Rajic would become stockholders in order to reduce the percentage of stock on the free market and avoid the increasingly aggressive Boss Jezda (the Karices had dropped out). Since nothing came of the democrats, "C Market" and the Tobacco Combine from

(what was still at the time) Titograd were rounded up (thanks to Manojlo Vukotic), and very soon BORBA's financial director, Zoran Vukicevic, helped bring Commercial Bank, KMS, and "Slavijacoop" into the fold of stockholders. They each bought 5 percent, while a consortium of banks (JUBMES, KBB, and Union Bank) got 10 percent.

That was when Dragan Sakan came forward with an offer by "a firm from Novi Sad" to buy up the rest of the stock. A meeting held in late April 1992 was attended by the complete leadership of the BORBA cast (the director, chief and responsible editor, and financial director), where the largest package of stock ended up in the hands of the "Finagra" company. In late May 1992, the BORBA joint-stock company was formed and "Finagra" immediately got its invested money back, in the form of a loan (in accordance with what was agreed to at the aforementioned meeting), because, it has been learned, at that point BORBA did not need that much money in its account. The employees received their wages from the interest on that loan until the end of 1992, but inflation took its toll, so that the dinar total, the BORBA editorial office now asserts, dropped from 266,000 to 100,000 German marks [DM]. An Assembly and Administrative Board were formed, and a recomposition of the increased capital was carried out to the benefit of the editorial office and "Finagra," as the most powerful stockholder; the government's investment was reduced to 17.6 percent (four votes on the Administrative Board), the bank consortium got 8.8 percent (two votes), five minority stockholders got 4.4 percent each (one vote each), the editorial office got 11.2 percent (three votes), and "Finagra" got 37.6 percent (nine votes). Individual stockholders were left without their own representative on the Administrative Board. Fiscal year 1992, unlike the previous money-losing year, ended at the break-even point, largely thanks to capital gained through the sale of stock.

A catastrophic year for publishing, 1993 has brought financial troubles to BORBA as well, where the current circulation is between 20,000 and 30,000 copies. Malcontents led by Slavko Curuvija blamed Manojlo Vukotic, who had strong support from employees in the editorial office, for everything. Dusan Mijic came forward, became acting director, dismissed Vukotic, and appointed Curuvija, despite an internal agreement to the effect that no editor would be imposed on the editorial office against its will.

The general impression among the democratic public of Serbia that these changes signify the victory of "sound forces" at BORBA has been reinforced by the fact that Mijic enjoyed the support of the federal government in all this, or rather of the Ministry of Information headed by Slobodan Ignjatovic. It is also feared that Mijic will sell his package of stock to the government, while the fact that even the government does not have the kind of money that he is allegedly asking for (a some of more than DM1 million is being mentioned) does not mean anything, because one can be compensated by state institutions in other ways. Rumor has it that the Karices have had their hand back in the pie lately, while on the other hand there is speculation that Mijic will buy the government's share of stock, become the absolute owner of BORBA, and turn it into a newspaper completely oriented toward the opposition. It remains to be seen what will actually happen, but it is certain that the departure of Manojlo Vukotic signifies the end of an important period in the history of BORBA, full of uproar, rises, and falls. Some concern remains about the fact that the fate of the prominent daily newspaper could depend on the whims of the majority owner.

Macedonia

Ilinden Anniversary Stirs 'Macedonian Question'

AU0408084693 Skopje NOVA MAKEDONIJA in Macedonian 30 Jul 93 p 2

[Branko Trickovski report: "A New View on the 'Macedonian Question'?"]

[Text] Sofia, 29 July—"The so-called Macedonian question has to be reviewed and reconsidered within the framework of the democratic processes and new values in Bulgaria." This was stated at a news conference today by Aleksandur Yordanov, chairman of the Bulgarian National Assembly and chairman of the Committee for the Celebration of the 90th Anniversary of the Ilinden Uprising. The guidelines for this review are not totally clear, because, as Yordanov underlined at the same conference, "Bulgaria cannot allow an anti-Bulgarian campaign, nor its role in the Balkan Peninsula to be questioned."

The 90th anniversary of the Ilinden uprising is marked in Bulgaria by numerous rallies, exhibitions, and other manifestations. Great importance is attached to the celebration. This is confirmed by the patronage of Bulgarian President Zhelyu Zhelev, as well as the main role of Aleksandur Yordanov, chairman of the Bulgarian National Assembly, on the national committee. The sponsor and the actual organizer of all the manifestations is the VMRO-SMD [Internal Macedonian Revolutionary Organization-Union of Macedonian Organizations]. Aleksandur Yordanov, the number-one man in the Bulgarian Parliament, is expected to make a speech on Sunday, 1 August, at the central celebration in the region of Predel. President Zhelev will do the same on 2 August, when he will speak on the same event in the region of Petrova Niva, on the mountain of Stranzha, organized by the Union of Thracian associations.

The Bulgarian public is informed that Macedonian President Kiro Gligorov, Prime Minister Branko Crvenkovski, and Macedonian Parliament Chairman Stojan Andov are invited to attend the celebration. The provocateurs from the VMRO-SMD do not expect all those invited to actually come, but they do not deny that the representatives of some Macedonian opposition parties will probably come.

Bulgaria is celebrating the Ilinden uprising as "an uprising of the Bulgarian people in Macedonia." The press, radio, and television are full of numerous articles dealing with

"the Macedonian wound" or "the epics of the Bulgarians in enslaved Macedonia." Every article expresses the current mood using "historical arguments" to show, one way or the other, a concern and a hope for the present fate of Macedonia and the Bulgarians in Macedonia.

Nobody is at all impressed by the fact that "within the democratic processes and the new values" the Macedonians remain Macedonians, who, according to the interpretations of the state authorities, are referred to as the people a priori banned from organizing any manifestations. This applies especially to the manifestations that draw people back to the sources of their national self-awareness, like the VMRO of Goce [Delcev, ideologist and organizer of the Macedonian revolutionary movement at the end of 19th and the beginning of 20th century], the Ilinden uprising, and the Krusevo Republic [short-lived republic set up by the Macedonians during the Ilinden uprising in 1903]. This is tragic for the spirit of Bulgarian society. All mass media say that the OMO [United Macedonian Organization] "Ilinden" is preparing provocations, that it is organizing a rally for 1 August in the region of Samuil Kreposti. As in all other celebrations, the Macedonians have, on this occasion, been forbidden to celebrate. The police guarantee a decisive showdown, although in some places you are told force will not be applied. Even if it is true, all the traditional venues for rallies by the Macedonians will be blocked by strong police units.

The Bulgarian attorney general, Ivan Tatarchev, is not on the national committee for the celebration of the anniversary by accident. A tragicomic picture of the isolated Macedonians and the stimulated Bulgarians celebrating the Macedonian uprising is consistently being created. Despite all these bans, the OMO invited the people to its celebration with the help of secretly fixed posters. Allegedly, there was a map of ethnic Macedonia printed on these invitations. At the same time, there are rumors that Jordan Kostadinov has been removed from the position of president of the OMO "Ilinden." As alleged, the faction that prevailed was the one that favors a struggle for the Macedonian cause in Bulgaria, but which does not use terms such as "the Bulgarian occupying army" or provoke the Bulgarian state.

Contrary to the restrictions imposed on the Macedonians by the state, the VMRO-SMD is expecting 30,000 visitors in Predel. Slave Makedonski, president of the Macedonian Democratic Party, says that not a single Macedonian will be among those people, and that all of those who come will spend enormous sums of state money, not less than 2 million lev.

Gligorov Addresses Ilinden Rally

AU0308201593 Skopje MILS-NEWS in English
3 Aug 93 no page number given

[Unattributed report: "Second August Celebrated"]

[Text] Yesterday the Macedonian national holiday Ilinden was celebrated in all of Macedonia. The President of the Republic of Macedonia Kiro Gligorov addressed the several thousand citizens present at the central celebration in Krusevo. In his speech Gligorov pointed out the meaning and the achievements of the 90-year anniversary of the Ilinden uprising and the Krusevo Republic. The anniversary of the first session of ASNOM [Anti-Fascist Council of National Liberation of Macedonia] and the 100-year anniversary of the forming of the VMRO [Internal Macedonian Revolutionary Organization].

"We started the 20th century with the heroic but tragic Ilinden uprising which showed the world that an authentic and freedom loving people lives on the Balkan," said Gligorov. He pointed out that we welcome the end of this century in totally new historic circumstances in which the century long ideal has been achieved—an independent and free Macedonian state, a member of the UN.

"We achieved this for the first time in our history peacefully and legitimately in the circumstance of a bloody interethnic war raging on the territory of former Yugoslavia," said Gligorov and added that a sovereign and independent Macedonia is a condition for securing peace on the Balkan.

Gligorov warned that the history of VMRO and Ilinden "teach us that schism among us and especially foreign influences, more so their resurrection, can endanger our independent state and nation as a historically formed subject and once more we will become an object of division."

Greater internal harmony and mutual understanding are a condition for every kind of advancement and most of all for a European future for Macedonia, said the president.

The celebrations of Ilinden continue today with a round table dedicated to the liberation movements among the Macedonian people.

Officials Request Compensation for Sanctions

AU0308201693 Skopje MILS-NEWS in English
3 Aug 93 no page number given

[Unattributed report: "Macedonian Politicians on the Violation of the Sanctions"]

[Text] The Macedonian Minister for Foreign Relations Stevo Crvenkovski in his interview for VECER stated that the damage that the Republic of Macedonia is suffering due to the sanctions is absolutely incomparable to the damages that other states are suffering. Pointing out that it is in the interest of Macedonia that the sanctions are successfully carried out in order to stop the war raging in former Yugoslavia and to reestablish the communications with Europe. Minister Crvenkovski stressed that the entire diplomatic activity in the last several months has been aimed at explaining Macedonia's situation and to request compensation for the damages that it is suffering due to the sanctions. "This does not mean requesting any kind of help but deployment of the burden of a joint actions," said Crvenkovski.

The Deputy Prime Minister in the Macedonian Government Jovan Andonov in his interview for the weekly PLUS replying to the recently more frequent accusations that

Macedonia is violating the UN sanctions imposed on Federal Republic of Yugoslavia, said: "I openly told the CSCE Ambassador Mr. Anderson that they have to stop—spanking us and not allowing us to cry. We reported the damages from the sanctions and we guaranteed as a government that not even a bird will cross the border if the damages are compensated."

Kosovo

Serbia Brings Police Reinforcements Into Podujeva

AU0308134793 Pristina KOSOVA DAILY REPORT No 152 in English 30 Jul 93

[Unattributed report: "Fresh Police Enforcements in Podujeva"]

[Text] Reports from Podujeva (a town in the north of Kosova) indicate that yesterday (Thursday) fresh Serbian police enforcement arrived, being positioned in the town and vicinity. Also civilians, presumably working for the police, provoking and checking on local population have been noted.

In the meantime, an Albanian, Avni Zhitia, 21, from the village of Lluge, who was arrested on 26 July has not been released yet.

Following the raids at the Breznica quart in the Sekiraqe hamlet symbols of Seselj's radicals and Arkan's "Tigers" were found on the spot.

Agani Calls For End to 'State Terror' in Region

AU0308135193 Pristina KOSOVA DAILY REPORT No 152 in English 30 Jul 93

[Unattributed report: "From the LDK Vice President Press Conference"]

[Text] At a press conference held today (Friday) in Prishtina, Dr. Fehmi Agani, LDK vice chairman condemned once again the "ongoing state terror of the Serbian authorities against the Albanians in Kosova." He said that the latest target was Podujeva, where over 100 local residents had been brutally beaten following an unclear incident in which a policeman was reported wounded. "The Serbian police proved that it is well equipped and prepared to undertake simultaneous raids on several places at once, covering a wide region from Mitrovica, Gllogovc, Klima, and Dacan," Dr. Agani said, adding that this was the most evident component of the Serbian state presence in Kosova.

Continuing, the LDK vice chairman said that "while Kosova is experiencing its worst days under the Serbian state terror, the Serbian authorities and press are being engaged in attempts to cover the pleas of the Albanian population with their campaign on alleged "terroristic attacks against Serbian police." We possess no information whatsoever on the attacks, nor are we able to accept them as true, or not. All we know is what we hear from the Serbian officials. Lesser do we know on possible perpetrators although the Serbian authorities claim they are Albanians without first being truly discovered. We only know that attacks against the police, if they are truly being carried out, are essentially in contradiction with our political commitments and our political action."

Dr. Agani said that he did not exclude the possibility of individual actions from the Albanian side to undertake defensive actions on their own, although, he said, certain groups of ruling circles in Serbian have shown their interest for raising tension and conflicts in Kosova. "One should have in mind once again the fact of the presence of many paramilitary groups operating unhindered throughout Kosova," he said.

Dr. Agani called for an end to state terror against the Albanians and for the removal of paramilitary groups from Kosova. "Why does Serbia, the most police state in the world, need additional paramilitary units?" he asked, concluding that Serbian attempts to politically associate the LDK to such acts were too transparent and bound to fail.

Bukoshi Expresses Concern Over Future

AU0308134493 Pristina KOSOVA DAILY REPORT No 152 in English 30 Jul 93

[Unattributed report: "Prime Minister Bukoshi: 'Do Not Let Kosova Fall the Next Victim of Aggression'"]

[Text] Prime minister of the republic of Kosova, Dr. Bujar Bukoshi, issued today (Friday) a statement on "the occasion of the final departure of the CSCE long term mission to Kosova," expressing concern about the "unpredictability of the future."

"The government of the republic of Kosova has appreciated the deterrent role played by this mission during the period of its activity, despite occasional complaints concerning the partiality of some of its members which have been lodged with us. We continue to share the view of the CSCE foreign ministers on international presence in Kosova, and urge them to enforce their decisions, believing that it is the only preventive asset to curb further Serbian aggression in the region," says prime minister Bukoshi in his today's statement. Dr. Bukoshi goes on to say: "Unlike the head of the mission, we believe that, under the conditions of abused international involvement of the international forces by the Belgrade authorities, the situation in Kosova will considerably deteriorate, and probably escalate."

The republic of Kosova prime minister renewed the appeal of the government "to the United Nations, CSCE, NATO, and all their member countries to ensure that Kosova does not fall the next victim of aggression, and spark off a regional conflagration."